

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

UNITED STATES,) CR-09-00487-RMW
)
PLAINTIFF,)
) JUNE 7, 2012
VS.)
) VOLUME 4
ALBERT KE-JENG HU,)
)
DEFENDANT.) PAGES 405-591
_____)

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE RONALD M. WHYTE
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S:

FOR THE PLAINTIFF: U.S. ATTORNEY'S OFFICE
BY: JOSEPH FAZIOLI
TIM LUCEY
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SAN JOSE, CA 95113

FOR THE DEFENDANT: ATTORNEY AT LAW
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OFFICIAL COURT REPORTER: SUMMER FISHER, CSR, CRR
CERTIFICATE NUMBER 13185

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SAN JOSE, CALIFORNIA

JUNE 7, 2012

P R O C E E D I N G S

(WHEREUPON, COURT CONVENED AND THE
FOLLOWING PROCEEDINGS WERE HELD IN THE PRESENCE OF
THE JURY:)

MR. FAZIOLI: YOUR HONOR, WITH THE NO
OBJECTION OF THE DEFENSE, THERE WAS A BRIEF WITNESS
THAT THE GOVERNMENT HAD FROM THE CALIFORNIA DMV WHO
HAD A FAMILY REASON SCHEDULING-WISE THAT IT WOULD
BE BETTER FOR HER TO TESTIFY FIRST THING IN THE
MORNING.

SO IF IT WAS ACCEPTABLE TO THE COURT, OUR
PLAN WAS TO PUT HER TESTIMONY ON QUICKLY THEN
RESUME THE TESTIMONY OF MRS. DOONG.

MR. FONG: I HAVE NO OBJECTION.

THE COURT: ALL RIGHT. THAT'S FINE.

MR. FAZIOLI: ALL RIGHT.

WITH THAT, THE GOVERNMENT CALLS
WENDY ESPINOZA.

WENDY ESPINOZA,

BEING CALLED AS A WITNESS ON BEHALF OF THE
PLAINTIFF, HAVING BEEN FIRST DULY SWORN, WAS
EXAMINED AND TESTIFIED AS FOLLOWS:

THE WITNESS: I DO.

1 THE CLERK: THANK YOU. PLEASE TAKE THE
2 STAND.

3 FOR THE RECORD, PLEASE STATE YOUR FULL
4 NAME AND SPELL YOUR LAST NAME.

5 THE WITNESS: WENDY DANIELLE
6 FARRELL-ESPINOZA. LAST NAME E-S-P-I-N-O-Z-A.

7
8 **DIRECT-EXAMINATION BY MR. FAZIOLI**

9
10 BY MR. FAZIOLI:

11 Q. GOOD MORNING, MS. ESPINOZA, WHERE DO YOU LIVE

12 A. IN SAN JOSE, CALIFORNIA.

13 Q. AND ARE YOU CURRENTLY EMPLOYED?

14 A. YES, I AM.

15 Q. WHERE ARE YOU EMPLOYED?

16 A. BY THE DEPARTMENT OF MOTOR VEHICLES IN THE
17 STATE OF CALIFORNIA.

18 Q. AND WHAT IS YOUR POSITION WITH THE CALIFORNIA
19 DEPARTMENT OF MOTOR VEHICLES?

20 A. I'M AN INVESTIGATOR.

21 Q. AND THE CALIFORNIA DEPARTMENT OF MOTOR
22 VEHICLES IS ALSO KNOWN AS THE DMV, CORRECT?

23 A. YES.

24 Q. HOW LONG HOW ABOUT AN INVESTIGATOR WITH THE
25 CALIFORNIA DMV?

1 A. ABOUT FIVE YEARS.

2 Q. CAN YOU DESCRIBE YOUR DUTIES AS A DMV
3 INVESTIGATOR?

4 A. I INVESTIGATE IDENTIFY THEFT, FORGED
5 SIGNATURES ON DOCUMENTS, CAR DEALERS, CAR SALESMAN.
6 ANY SORT OF FRAUD THAT HAPPENS AT THE DMV.

7 Q. AND WHAT SORT OF RECORDS DOES THE CALIFORNIA
8 DMV KEEP?

9 A. WE KEEP RECORDS RELATED TO VEHICLE TITLES AND
10 REGISTRATIONS WE KEEP RECORDS RELEVANT TO DRIVER'S
11 LICENSES, APPLICATIONS ANY SORT OF COMMUNICATION
12 THAT'S SENT.

13 Q. SO I'M GOING TO ASK YOU A COUPLE OF QUESTIONS
14 ABOUT RECORDS RELATED TO DRIVER'S LICENSES. DOES
15 THE CALIFORNIA DMV KEEP RECORDS OF PEOPLE'S
16 SIGNATURES?

17 A. YES.

18 Q. AND DOES THE COLLECT SIGNATURES OF PERSONS WHO
19 APPLY FOR A DRIVER'S LICENSE IN THE STATE OF
20 CALIFORNIA?

21 A. YES THEY DO.

22 Q. AND WHY DOES THE DMV COLLECT SIGNATURES OF
23 PEOPLE APPLYING FOR A DRIVER'S LICENSE.

24 A. SIGNATURES ARE KEPT AND ASSOCIATED WITH A
25 PERSON'S DRIVER'S LICENSE SO THAT THERE'S AN

1 OFFICIAL, LEGAL DOCUMENT WITH A SIGNATURE ON IT.
2 AND IT'S MAINTAINED THROUGHOUT THE LIFETIME OF THE
3 RECORD.

4 Q. DOES THE DMV HAVE STANDARDIZED PROCEDURES OF
5 COLLECTING SIGNATURES FOR PEOPLE APPLYING FOR
6 DRIVER'S LICENSES?

7 A. YES, WE DO.

8 Q. CAN YOU PLEASE DESCRIBE TO THE JURY THE
9 PROCESS BY WHICH SIGNATURES ARE OBTAINED?

10 A. YES. AN INDIVIDUAL GOES INTO THE DMV TO START
11 A NEW RECORD, A NEW DRIVER'S LICENSE OR TO COMPLETE
12 ONE THAT IS NOT YET FINISHED.

13 THEY CHECK IN AT A "START HERE" COUNTER
14 THEN THEY GO TO THE NEXT COUNTER AND SHOW SOME FORM
15 OF IDENTIFICATION WHETHER IT BE A BIRTH
16 CERTIFICATE, PASSPORT, AND THEY CHECK EVERYTHING ON
17 A PERSON'S RECORD, THEIR ADDRESS, BIRTH DATE, TO
18 MAKE SURE THIS IS THE INDIVIDUAL THEY ARE LOOKING
19 AT.

20 THEN THE INDIVIDUAL IS DIRECTED TO A
21 CAMERA WINDOW AND AT THE CAMERA WINDOW THEY PULL UP
22 THE PERSON'S PHOTO, AGAIN TO VERIFY THE LAST PHOTO
23 ON RECORD TO THE PERSON STANDING IN FRONT OF THEM.

24 THEN THE INDIVIDUAL WILL GIVE ANOTHER
25 RIGHT THUMBPRINT AND SIGN THEIR NAME.

1 Q. AND THAT'S A SIGNATURE ON A SIGNATURE PAD?

2 A. YES, IT IS.

3 Q. AND THEN AFTER THE PERSON APPLYING FOR A
4 LICENSE APPLIES FOR THE SIGNATURE, THAT SIGNATURE
5 IS ATTACHED TO THE INDIVIDUAL FILE; IS THAT
6 CORRECT?

7 A. YES.

8 Q. HOW DOES DMV ATTACH THE SIGNATURES THAT THE
9 INDIVIDUAL PROVIDES TO THEIR INDIVIDUAL FILES?

10 A. IT'S STORED ELECTRONICALLY TO THE RECORD.

11 Q. DURING THE PROCESS, IS THE PROCEDURE THAT THE
12 INDIVIDUAL OBTAINING THE LICENSE VERIFIES THAT HIS
13 OR HER SIGNATURE PICTURE AND INFORMATION ARE
14 CORRECT?

15 A. YES.

16 Q. THEN DOES A DMV PROCESSOR DO A CHECK ON THE
17 SIGNATURE TO SEE THAT IT MATCHES IN REALTIME?

18 A. THEY LOOK AT THE APPLICATION THAT THAT PERSON
19 HAS FILLED OUT TO MAKE SURE THAT IT RESEMBLES THE
20 SIGNATURE JUST GIVEN ELECTRONICALLY.

21 Q. DOES DMV IN ANY WAY LIMIT THE MANNER IN WHICH
22 AN INDIVIDUAL CAN SIGN THEIR NAME, FOR EXAMPLE BY
23 REQUIRING THEM ONLY TO USE A FIRST INITIAL?

24 A. NO.

25 Q. DO ALL DMV'S ACROSS THE STATE FOLLOW THE SAME

1 PROCEDURE REGARDING OBTAINING AND STORING
2 INDIVIDUAL SIGNATURES?

3 A. YES.

4 Q. HOW ARE THESE SIGNATURES STORED?

5 A. THEY ARE STORED AT A NETWORK IN SACRAMENTO.

6 Q. AND IT'S A REGULAR PRACTICE OF THE DMV TO
7 STORE SIGNATURES ELECTRONICALLY IN SUCH A MANNER?

8 A. YES.

9 Q. YOU WERE CONTACTED BY THE FEDERAL GOVERNMENT
10 TO CONDUCT A SEARCH OF DMV RECORDS IN CONNECTION
11 WITH THIS CASE; IS THAT CORRECT?

12 A. YES, I WAS.

13 Q. AND WAS THERE A PARTICULAR PERSON WHO YOU WERE
14 TASKED TO SEARCH DMV RECORDS FOR?

15 A. YES.

16 Q. AND WHO WAS THAT INDIVIDUAL?

17 A. MR. ANTHONY POLLACE.

18 Q. DID YOU CONDUCT A SEARCH FOR MR. POLLACE?

19 A. YES, I DID.

20 Q. CAN YOU EXPLAIN HOW YOU DID A SEARCH FOR
21 MR. POLLACE'S RECORDS?

22 A. I DID A SEARCH BY NAME. I ENTERED THE
23 INDIVIDUAL'S FIRST NAME AND LAST NAME AND THEN
24 SEARCHED THROUGHOUT THE STATE.

25 WE CAN ALSO LIMIT IT BY CITIES AND OTHER

1 THINGS, BUT IN THIS CASE I DID A SEARCH FOR HIS
2 NAME.

3 Q. HOW OFTEN DO YOU HAVE TO SEARCH DMV RECORDS AS
4 PART OF YOU'RE PROFESSIONAL DUTIES?

5 A. SEVERAL TIMES A DAY.

6 Q. DID YOU FIND ANY RECORDS FOR AN ANTHONY
7 POLLACE?

8 A. YES, I DID.

9 Q. LET ME SHOW YOU WHAT'S BEEN MARKED AS
10 GOVERNMENT'S EXHIBIT 260. PLEASE TAKE A LOOK AS
11 GOVERNMENT EXHIBIT 260.

12 DO YOU RECOGNIZE GOVERNMENT EXHIBIT 260?

13 A. YES, I DO.

14 Q. WHAT IS GOVERNMENT EXHIBIT 260?

15 A. THIS IS A SCANNED COPY OF WHAT WE WOULD REFER
16 TO AS A SOUNDINDEX WHICH IS A CERTIFIED DOCUMENT
17 PRODUCED BY THE DEPARTMENT OF MOTOR VEHICLES.

18 Q. AND GOVERNMENT EXHIBIT 260 RELATES TO
19 DOCUMENTS FOR A PARTICULAR INDIVIDUAL, CORRECT?

20 A. YES.

21 Q. WHO IS THAT INDIVIDUAL?

22 A. ANTHONY POLLACE.

23 MR. FAZIOLI: YOUR HONOR, AT THIS TIME
24 UNITED STATES MOVES GOVERNMENT EXHIBIT 260 INTO
25 EVIDENCE.

1 MR. FONG: NO OBJECTION.

2 THE COURT: ALL RIGHT. 260 IS RECEIVED.

3 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER 260 HAVING
4 BEEN PREVIOUSLY MARKED FOR IDENTIFICATION, WAS
5 ADMITTED INTO EVIDENCE.)

6 Q. CAN YOU EXPLAIN TO THE JURY SOME OF THE
7 INFORMATION THAT'S ON THE FIRST PAGE OF GOVERNMENT
8 EXHIBIT 260?

9 A. YES.

10 Q. A SOUNDEX PHOTO IS MEANT TO RESEMBLE A
11 CALIFORNIA DRIVER'S LICENSE. IT INCLUDES PHOTO,
12 SIGNATURE, A FINGERPRINT WHICH IS NOT VISIBLE ON A
13 DRIVER'S LICENSE BUT ACCEPTABLE VIA A MAG STRIPE.

14 IT ALSO HAS AN INDIVIDUAL'S FIRST, LAST
15 NAME, THE CLASS OF THE VEHICLE THEY ARE ELIGIBLE TO
16 DRIVE, CLASS OF THE LICENSE, DRIVER'S LICENSE
17 NUMBER, ADDRESS ON RECORD, DATE OF BIRTH, GENDER,
18 PHYSICAL DESCRIPTORS AS WELL AS THE INFORMATION
19 WITH RESPECT TO WHEN THE APPLICATION WAS COMPLETED
20 AND THE PHOTO DATE AND WHEN THAT WAS DONE.

21 Q. SO LET'S ASK -- I WANT TO ASK YOU A COUPLE
22 QUESTIONS ABOUT THE FIRST PAGE OF GOVERNMENT
23 EXHIBIT 260.

24 AND I WILL NOTE FOR THE RECORD THAT THE
25 BOTTOM RIGHT, THE BATES NUMBER IS HU14801.

1 NOW IS THERE -- WHAT IS THE NAME THAT'S
2 ON THIS FIRST PAGE OF IN TERMS OF THE INDIVIDUAL
3 WHO IS BEING PICTURED HERE?

4 A. ANTHONY VINCENT POLLACE.

5 Q. AND THERE'S A NOTE THERE THAT SAYS APP DATE,
6 ISSUE DATE AND PHOTO DATE; DO YOU SEE THAT?

7 A. YES, I DO.

8 Q. AND THERE'S ONE DATE THAT'S AFTER EACH OF
9 THOSE, CORRECT?

10 A. YES.

11 Q. AND WHAT IS THE DATE THAT'S AFTER EACH OF
12 THOSE INDICATIONS?

13 A. IT IS APRIL 29TH, 2011.

14 Q. AND IN YOUR EXPERIENCE WORKING FOR THE DMV IS
15 THERE ANY SIGNIFICANCE TO WHAT THOSE DATES MEAN,
16 APP DATE ISSUE DATE AND PHOTO DATE?

17 A. YES.

18 Q. WHAT DO THOSE TERMS MEAN?

19 A. WELL, THE APPLICATION DATE INDICATES THE DATE
20 THE INDIVIDUAL WENT INTO THE DMV AND FILLED OUT THE
21 APPLICATION.

22 THE PHOTO DATE ALSO INDICATES THE DAY THE
23 PHOTO WAS TAKEN WHICH MAY NOT BE THE SAME AS THE
24 APPLICATION DATE.

25 AND FINALLY, THE ISSUE DATE IS ACTUALLY

1 THE DATE THAT THE RECORD WAS CLOSED AND ISSUED BY
2 THE DEPARTMENT.

3 Q. ALL RIGHT.

4 AND THE APPLICATION DATE, THAT'S THE DATE
5 ON WHICH INDIVIDUALS ARE REQUIRED TO PRESENT THEIR
6 SIGNATURE TO THE DMV, CORRECT?

7 A. YES.

8 Q. THAT'S THE SIGNATURE THAT'S CONFIRMED BY DMV
9 PERSONNEL?

10 A. YES.

11 Q. AND THEN YOU ALSO SEE IT SAYS APP OFFICE,
12 ISSUE OFFICE AND PHOTO OFFICE; DO YOU SEE THAT?

13 A. YES.

14 Q. WHAT'S THE SIGNIFICANCE OF THOSE LABELS?

15 A. THAT'S A UNIQUE IDENTIFIER. EACH DMV HAS A
16 SPECIFIC NUMBER, 516 HAPPENS TO BE THE SAN JOSE
17 DMV.

18 Q. AND YOU SEE THERE'S A PICTURE ON THIS FIRST
19 PAGE OF EXHIBIT 260?

20 A. YES.

21 Q. AND TO THE BEST OF YOUR KNOWLEDGE THAT'S A
22 PICTURE OF ANTHONY PALACE?

23 A. YES.

24 Q. DID YOU FIND ANY OTHER ANTHONY POLLACE IN YOUR
25 CALIFORNIA DMV DATABASE OTHER THAN THE INDIVIDUAL

1 WHOSE RECORDS ARE HERE IN EXHIBIT 260?

2 A. NO.

3 Q. SO TO THE BEST OF YOUR KNOWLEDGE, THE
4 SIGNATURE THAT'S ON THE FIRST PAGE OF EXHIBIT 2
5 SIGNATURE IS THE SIGNATURE THAT ANTHONY PALACE
6 PROVIDED THE DMV ON APRIL 29TH, 2011, CORRECT?

7 A. YES.

8 Q. NOW WERE YOU PRESENT WITH ANTHONY POLLACE
9 SIGNED AT THE DMV AT APRIL 2011?

10 A. I WAS NOT.

11 Q. SO HOW DO YOU KNOW THE SIGNATURE HERE ON THE
12 FIRST PAGE OF EXHIBIT 260 IS THE ACTUAL SIGNATURE
13 MR. POLLACE PROVIDED TO THE DMV?

14 A. THE DEPARTMENT HAS DEVELOPED CERTAIN
15 PROCEDURES THAT ARE FOLLOWED, AND WITHOUT THAT
16 BEING FOLLOWED, THESE LICENSES DON'T COMPLETED.

17 IF THERE HAD BEEN A PROBLEM, IF THERE HAD
18 BEEN A QUESTION ABOUT THE INDIVIDUAL PICTURE VERSUS
19 THE SIGNATURE, IT WOULD HAVE BEEN REFERRED TO
20 INVESTIGATION FOR FURTHER ANALYSIS.

21 Q. AND THERE'S NO INDICATION THAT THAT THAT
22 HAPPENED WITH MR. POLLACE?

23 A. THERE WAS NOT.

24 Q. THERE ARE A COUPLE OTHER PAGES OF THIS
25 DOCUMENT WE ARE GOING TO GO THROUGH QUICKLY.

1 CAN YOU PLEASE GO TO THE NEXT PAGE OF
2 THAT DOCUMENT, MS. BURNEY.

3 AND IS THIS NEXT PAGE IS THIS ANOTHER
4 EXAMPLE OF MR. POLLACE GIVING HIS SIGNATURE TO THE
5 DMV?

6 A. YES.

7 Q. AND WHAT'S THE DATE FOR THE SIGNATURE, OR
8 WHAT'S THE APP DATE ON THE SECOND PAGE OF THE
9 EXHIBIT?

10 A. IT'S APRIL 11, 2006.

11 Q. SO TO THE BEST OF YOUR KNOWLEDGE THAT
12 SIGNATURE ON THE SECOND PAGE IS A SIGNATURE FOR THE
13 APP -- OF MR. POLLACE OF APRIL 6, 2011?

14 A. YES.

15 Q. CAN YOU PLEASE GO TO THE NEXT PAGE OF
16 EXHIBIT 260.

17 NOW, THE NEXT PAGE ALSO HAS ANOTHER
18 SIGNATURE ON IT, CORRECT?

19 A. YES.

20 Q. WHAT'S THE APP DATE FOR THIS SIGNATURE?

21 A. APRIL 11, 2001.

22 Q. SO TO THE BEST OF YOUR KNOWLEDGE THIS IS THE
23 SIGNATURE THAT MR. POLLACE HAD PROVIDED TO THE DMV
24 FOR PURPOSES OF THIS APP DATE WHICH IS APRIL 2001?

25 A. YES.

1 Q. AND MS. BURNEY, DO YOU MIND MOVING TO THE NEXT
2 PAGE OF EXHIBIT 260.

3 NOW THIS IS AN ISSUE DATE OF 4-10-97.
4 THERE'S A SIGNATURE THERE AS WELL, CORRECT?

5 A. YES.

6 Q. NOW THERE'S NO APP DATE FOR THIS 4-10-97
7 ENTRY; IS THAT CORRECT?

8 A. YES.

9 Q. SO WHAT'S THE SIGNIFICANCE OF THERE NOT BEING
10 AN APP DATE HERE ON 4-10-97?

11 A. IT'S POSSIBLE AN APPLICATION WAS NOT NEEDED.
12 MAYBE IF HE HAD GONE IN BEFORE AND THE CAMERA HAD
13 BEEN DOWN, HE WOULD HAVE BEEN INSTRUCTED TO GIVE A
14 NEW PHOTO.

15 SO ON THIS PARTICULAR DATE, APRIL 10TH
16 1997, HE WOULD HAVE TAKEN A PICTURE AND GIVEN A
17 SIGNATURE AND THUMBPRINT.

18 Q. SO MOVING ON TO THE NEXT PAGE, AGAIN,
19 THERE'S -- THE NEXT PAGE OF THE DOCUMENT THERE'S
20 ANOTHER SIGNATURE FOR MR. POLLACE, THEN WHAT'S THE
21 ISSUE DATE ON THIS?

22 A. SEPTEMBER 13, 1995.

23 Q. THERE'S ANOTHER SIGNATURE FOR MR. POLLACE,
24 CORRECT?

25 A. YES.

1 Q. SO THE SIGNATURES THAT ARE HERE IN GOVERNMENT
2 EXHIBIT 260 WOULD BE FAIR TO SAY THAT THESE ARE THE
3 SIGNATURES THAT MR. POLLACE HAD PROVIDED THE DMV
4 FROM THE PERIOD, FROM THIS ISSUE DATE OF 1993 ALL
5 THE WAY THROUGH 2011; IS THAT CORRECT?

6 A. YES.

7 MR. FAZIOLI: I HAVE NO FURTHER QUESTIONS
8 OF THIS WITNESS.

9 MR. FONG: I HAVE NO QUESTIONS,
10 YOUR HONOR.

11 THE COURT: ALL RIGHT. YOU ARE EXCUSED.
12 THANK YOU.

13 MR. LUCEY: YOUR HONOR, AT THIS TIME THE
14 GOVERNMENT WOULD LIKE TO RECALL GRACE DOONG TO THE
15 STAND.

16
17 **GRACE DOONG,**
18 BEING CALLED AS A WITNESS ON BEHALF OF THE
19 PLAINTIFF, HAVING BEEN PREVIOUSLY SWORN, WAS
20 EXAMINED AND TESTIFIED AS FOLLOWS:

21 THE COURT: OKAY. COME BACK AND RESUME
22 YOUR SEAT AS THE WITNESS, PLEASE.

23 THE CLERK: YOU ARE STILL UNDER OATH.

24 THE WITNESS: YES.
25

DIRECT-EXAMINATION BY MR. LUCEY (RESUMED)

BY MR. LUCEY:

Q. GOOD MORNING, MA'AM.

A. GOOD MORNING.

Q. WHEN WE LEFT YESTERDAY I BELIEVE WE WERE DISCUSSING EXHIBIT 63 WHICH WAS ALREADY IN EVIDENCE AND WE WERE ON HU1027.

AND IF MS. BURNEY -- THANK YOU FOR REPUBLISHING THAT. IF YOU COULD AGAIN BLOW UP THE TEXT PORTION OF THE DOCUMENT, BEGINNING JULY 2ND, '04.

JUST TO MAKE SURE I UNDERSTAND YOUR TESTIMONY IN REGARD TO THIS DOCUMENT, MS. DOONG, YOU DID IN FACT RECEIVE THIS DOCUMENT IN OR AROUND JULY 2004?

A. CORRECT.

Q. AND YOU AT THAT TIME DID YOU OBSERVE THE TWO SIGNATURES ON THE DOCUMENT?

A. YES, I DID.

Q. FOR MR. HU AND MR. POLLACE?

A. CORRECT.

Q. NOW AT SOME TIME AFTER -- MS. BURNEY IF YOU COULD LEAVE THIS DOCUMENT, GO BACK TO THE ENTIRE DOCUMENT. THEN GO TO THE VERY BOTTOM OF THE

1 DOCUMENT WHERE IT HAS TEXT AT THE BOTTOM. IF YOU
2 COULD BLOW THAT UP FOR ALL OF THE COURTROOM,
3 INCLUDING THE WITNESS.

4 THANK YOU.

5 MS. DOONG, WHAT DOES THE TEXT SAY AT THE
6 BOTTOM OF THE DOCUMENT?

7 A. SAFE ALTERNATIVE FOR HIGH RETURN.

8 Q. WHAT DID YOU TAKE THAT TO MEAN WHEN YOU
9 RECEIVED THIS DOCUMENT BACK IN 2004?

10 A. IT MEANS MY INVESTMENT IS SAFE.

11 Q. WHEN YOU SAY YOUR INVESTMENT, WHAT DO YOU MEAN
12 BY THAT IN TERMS OF THIS PARTICULAR INVESTMENT IN
13 ASENQUA?

14 A. YU-MEI DOONG'S INVESTMENT INTO ASENQUA BETA
15 FUND 200,000 USD AT THAT TIME.

16 Q. NOW, MS. DOONG, AFTER YOU WORKED WITH YOUR
17 SISTER, ON BEHALF OF YOUR SISTER AS YOU EXPLAINED
18 TO US, TO HAVE THIS FIRST INVESTMENT IN ASENQUA
19 BETA FUND, DID YOU EVER RECEIVE ANY UPDATES FROM
20 MR. HU REGARDING THE STATUS OF YOUR SISTER'S
21 INVESTMENT IN THE ASENQUA BETA FUND?

22 A. YES. RECEIVED THE QUARTERLY ACCOUNT STATEMENT
23 FROM ASENQUA BETA FUND.

24 Q. OKAY. I'M NOW GOING TO SHOW YOU A SERIES OF
25 DOCUMENTS, THEY ARE BATES NUMBERS 1026, 1025, 1024,

1 1023, AND 1022.

2 SO MS. DOONG, IF I COULD ASK YOU TO TURN
3 YOUR ATTENTION TO THE PAGE I JUST MENTIONED,
4 STARTING WITH 1026.

5 MS. BURNEY, IF YOU WOULD BE SO KIND TO
6 FLASH UP ON THE SCREEN PAGE 1026. AND MS. BURNEY,
7 IF YOU COULD BLOW UP THE TOP HALF OF THE DOCUMENT
8 FROM THE ASENQUA BETA FUND DOWN TO THE BOX.

9 THANK YOU.

10 MS. DOONG, ARE YOU ABLE TO READ THE
11 DOCUMENT FROM YOUR WITNESS STAND OR DO YOU PREFER
12 TO LOOK AT THE DOCUMENT IN FRONT OF YOU?

13 A. I PREFER TO LOOK AT THE DOCUMENT.

14 Q. OKAY. VERY GOOD.

15 SO I CALL YOUR ATTENTION TO FIRST THE
16 LEFT-HAND TEXT RIGHT ABOVE THE BOX. WHOSE NAME IS
17 LISTED THERE?

18 A. AT THE BOTTOM? TOP?

19 Q. I'M SORRY, I WILL WALK OVER TO THE SCREEN,
20 IT'S MUCH EASIER THAT WAY.

21 FIRST, TO CONFIRM AGAIN, THE NAME LISTED
22 HERE.

23 A. YU-MAI DOONG, MY YOUNGER SISTER.

24 Q. WHOSE ADDRESS IS LISTED HERE ON THIS DOCUMENT?

25 A. MY ADDRESS.

1 Q. THAT WAS YOUR ADDRESS AT THE TIME IN OUR ABOUT
2 JULY 2004?

3 A. CORRECT.

4 Q. NOW, MY QUESTION IS NOW MS. DOONG ARE, THIS
5 INDICATION ON THIS DOCUMENT THAT THERE'S A WIRE IN
6 OF \$200,000; DO YOU SEE THAT INDICATION THERE?

7 A. YES.

8 Q. DO YOU KNOW WHAT THAT'S IN REFERENCE TO?

9 A. IT'S REFERENCE TO YU-MAI DOONG'S MONEY HAS
10 BEEN INTO THE ASENQUA BETA FUND AND BEING
11 CONFIRMED.

12 Q. NOW, MS. BURNEY, I WOULD ASK YOU TO BLOW UP
13 THE BOTTOM HALF OF THE DOCUMENT WHERE THE SIGNATURE
14 IS LOCATED.

15 MS. DOONG, I NOW CALL YOUR ATTENTION TO
16 THIS PORTION OF THE DOCUMENT ON THE BOTTOM HALF.
17 DO YOU SEE THOSE TWO SECRETARIES THERE?

18 A. YES, I DO.

19 Q. WHO DID YOU UNDERSTAND THOSE SIGNATURES TO BE?

20 A. SIGNATURE TO BE THE SIGN OFF ON THE DOCUMENT
21 IT WAS FOR CHIEF FINANCIAL OFFICER AND ALSO BY THE
22 PRESIDENT OF THE ASENQUA BETA FUND.

23 Q. WHEN YOU SAY "SIGN OFF" WHAT DO YOU MEAN BY
24 THAT?

25 A. IT MEANS IT'S BEEN APPROVED THE ACCURACY OF

1 THIS STATEMENT AND AUTHORIZED IT ON BEHALF OF THE
2 ASENQUA BETA FUND.

3 Q. PRIOR TO IT BEING SENT TO YOU?

4 A. YES.

5 Q. NOW DO YOU RECALL HOW YOU RECEIVED THIS
6 DOCUMENT?

7 A. ALL THE DOCUMENT I RECEIVED FROM ASENQUA BETA
8 FUND MAINLY IT'S THROUGH HAND DELIVER.

9 Q. AND THAT WOULD BE HAND DELIVERED WHERE? DO
10 YOU RECALL WHERE?

11 A. IN TAIPEI.

12 Q. BY WHOM?

13 A. FOR THIS ONE IS BY ALBERT.

14 Q. ALBERT HU?

15 A. RIGHT.

16 Q. NOW MS. BURNEY, IF YOU COULD GO ON AND GO TO
17 EXHIBIT, PAGE 35 OF THIS DOCUMENT, 1025-A.

18 THE COURT: HAVE THESE BEEN ADMITTED?

19 MR. LUCEY: THEY HAVE ALL BEEN ADMITTED,
20 YOUR HONOR. THESE ARE ALL EXHIBIT 63.

21 Q. SO WE ARE LOOKING AGAIN, MS. DOONG, AT THE TOP
22 HALF OF THIS DOCUMENT, IT APPEARS -- WHAT STATEMENT
23 IS LISTED THERE AS YOU LOOK AT THE DOCUMENT?

24 A. IT'S ON SEPTEMBER 30TH IN THE YEAR 2004.

25 Q. AND FOR WHAT QUARTER DID THIS STATEMENT OF

1 ACCOUNT FOR YOUR SISTER'S VESTMENT IN ASENQUA BETA
2 FOR?

3 A. IT'S THE THIRD QUARTER YEAR 2004.

4 Q. AT THIS POINT HOW LONG APPROXIMATELY HAD YOUR
5 SISTER BEEN INVESTED IN THE ASENQUA BETA FUND WOULD
6 YOU SAY?

7 A. CLOSE TO THREE MONTHS -- OVER TWO MONTHS.

8 Q. AND HOW WAS YOUR SISTER'S INVESTMENT DOING
9 BASED ON THIS STATEMENT YOU RECEIVED?

10 A. IT GAINS 2.2 PERCENT, BY \$4,426.

11 Q. AND HAVING REVIEWED THAT STATEMENT IN OR ABOUT
12 SEPTEMBER 2004, AND AGAIN HOW DID YOU RECEIVE THIS
13 STATEMENT?

14 A. RECEIVE IT THROUGH HAND DELIVERY BY ALBERT HU.

15 Q. WHERE?

16 A. IN TAIPEI.

17 Q. HOW WAS YOUR SISTER'S INVESTMENT DOING BASED
18 ON YOUR REVIEW OF THE DOCUMENT IN SEPTEMBER 2004?

19 A. IT'S DOING GOOD.

20 Q. ARE YOU FEELING MORE OR LESS LIKELY TO RETAIN
21 YOUR SISTER'S INVESTMENT IN ASENQUA BETA FUND?

22 A. MORE.

23 Q. MORE LIKELY?

24 A. YES.

25 Q. OKAY. AND AGAIN, IF YOU COULD, MS. BURNEY, IF

1 YOU COULD FLASH TO THE BOTTOM PART OF THE DOCUMENT
2 AND BLOW UP THAT FOR THE JURY AND THE COURTROOM.

3 AGAIN, WHOSE SIGNATURES ARE AT THE BOTTOM
4 OF THE DOCUMENT?

5 A. A GENTLEMAN, ANTHONY POLLACE AND ALBERT HU.

6 Q. AND AGAIN, DID YOU HAVE ANYTIME UNDERSTANDING
7 AS TO WHAT THEIR SIGNATURES MEANT ON THE DOCUMENT
8 AS YOU HAD WITH WHEN WE LOOKED AT THE FIRST
9 DOCUMENT THIS MORNING, SAME UNDERSTANDING?

10 A. YES.

11 Q. NOW MS. BURNEY, IF YOU COULD TURN TO THE NEXT
12 DOCUMENT IN SEQUENCE MIDDLE NUMBER 34, BATES NUMBER
13 1024-A.

14 WHAT IS THIS DOCUMENT WE ARE LOOKING AT
15 NOW, MS. DOONG?

16 A. THIS IS THE Q4, THE LAST QUARTER OF 2004 FOR
17 THE YU-MEI DOONG'S STATEMENT.

18 Q. IS THIS SOMETIMES CALLED THE YEAR END
19 STATEMENT?

20 A. YES.

21 Q. AND AGAIN, THIS DOCUMENT HAS YOUR ADDRESS ON
22 IT?

23 A. YES.

24 Q. DID YOU RECEIVE THIS DOCUMENT IN OR AROUND
25 DECEMBER THIRST 2004 OR THEREABOUTS?

1 A. COULD BE LATER BECAUSE QUITE OFTEN THE
2 STATEMENT WOULD BE DELIVERED LATE.

3 Q. OKAY. HOW MUCH AFTER THAT WOULD YOU
4 ESTIMATE -- YOU DO RECALL RECEIVING THIS DOCUMENT?

5 A. YES.

6 Q. WHEN APPROXIMATELY AFTER THIS DO YOU THINK YOU
7 WOULD HAVE RECEIVED THIS DOCUMENT EARLY 2005?

8 A. MOST LIKELY.

9 Q. WHAT'S THE BALANCE AS THE STATEMENT REFLECTS
10 OF YOUR SISTER'S ACCOUNT AS OF THIS YEAR END DATE
11 DECEMBER 31ST, 2004?

12 A. \$221,417 -- \$221,417.18.

13 Q. SO BASED ON YOUR REVIEW OF THE DOCUMENT WHAT
14 WAS YOUR UNDERSTANDING OF HOW MUCH HAD YOUR SISTER
15 GAINED TO DATE IN THE ASENQUA BETA FUND?

16 A. A BIT MORE THAN 10 PERCENT, AROUND 21,000.

17 Q. MS. DOONG WHOSE SIGNATURE IS ON THE BOTTOM OF
18 THIS DOCUMENT?

19 A. TWO FINANCIAL OFFICERS AND THEIR PRESIDENT.
20 ANTHONY POLLACE AND ALBERT HU AGAIN.

21 Q. THOSE ARE THE SAME INDIVIDUALS WHO WERE ON THE
22 SAME STATEMENTS THIS MORNING?

23 A. YES.

24 Q. AND YOU HAD THE SAME UNDERSTANDING AS YOU
25 DISCUSSED EARLIER?

1 A. CORRECT.

2 Q. AS TO THE IMPACT OF THESE TWO SIGNATURES FOR
3 YOU?

4 A. YES.

5 Q. OKAY. MS. BURNEY, IF YOU COULD TURN TO PAGE
6 1023 OF THE DOCUMENT. MS. DOONG, DO YOU RECOGNIZE
7 THIS PAGE?

8 A. YES.

9 Q. WHAT IS THIS DOCUMENT HERE?

10 A. THIS IS FOR Q1 2005 ACCOUNT STATEMENT.

11 Q. AND DO YOU RECALL RECEIVING THIS DOCUMENT?

12 A. YES.

13 Q. SOME TIME ON OR ABOUT NEAR -- AFTER
14 MARCH 31ST, 2005?

15 A. YES.

16 Q. WHERE DID YOU RECEIVE THIS DOCUMENT?

17 A. FROM ALBERT HU.

18 Q. WHERE?

19 A. IN TAIPEI.

20 Q. HOW MUCH WAS YOUR SISTER'S BALANCE AS OF THIS
21 TIME FRAME?

22 A. \$225,661.33.

23 Q. AGAIN, MS. BURNEY, IF YOU COULD BLOW UP THE
24 TOP AND BOTTOM PORTION OF THE PAGE OF THE DOCUMENT,
25 OF THE EXHIBIT.

1 ARE THERE TWO SIGNATURES ON THE BOTTOM OF
2 THIS DOCUMENT AS WELL MS. DOONG?

3 A. YES.

4 Q. WHOSE SIGNATURES DID YOU UNDERSTAND THEM TO BE
5 AT THE TIME?

6 A. ANTHONY POLLACE AND ALBERT HU, THE FINANCIAL
7 CHIEF OFFICER AND PRESIDENT OF THE ASENQUA BETA
8 FUND.

9 Q. AND IS IT FAIR TO SAY YOU KNEW THE SIGNATURES
10 TO MEAN THE SAME THINGS AS YOU DISCUSSED EARLIER AS
11 TO WHY THEY ARE ON THE DOCUMENT?

12 A. YES.

13 Q. NOW, MS. BURNEY COULD YOU PLEASE TURN TO THE
14 NEXT DOCUMENT IN SEQUENCE IT'S NUMBER 32. NOW IF
15 YOU COULD HIGHLIGHT THE TOP PORTION, BLOW UP THE
16 TOP PORTION OF THE DOCUMENT.

17 DO YOU RECOGNIZE THIS PAGE OF THE
18 EXHIBIT, MS. DOONG?

19 A. YES, I DO.

20 Q. WHAT IS IT?

21 A. IT'S THE Q2 STATEMENT OF YEAR 2005.

22 Q. THE STATEMENT DATE WAS ENDING WHEN?

23 A. JUNE 30TH.

24 Q. AND BASED ON YOUR VIEW OF THIS DOCUMENT WHAT
25 DID YOU UNDERSTAND YOUR SISTER'S VALUE OF HER

1 INVESTMENT TO BE AS OF ON OR ABOUT JUNE 30TH, 2005?

2 A. 234, 447.83.

3 Q. HOW DID YOU COME TO HAVE THIS PARTICULAR PAGE
4 OF THE EXHIBIT?

5 A. IT WAS HAND DELIVERED BY MR. ALBERT HU IN
6 TAIPEI.

7 Q. TO YOU?

8 A. YES.

9 Q. AND AGAIN, MS. BURNEY, IF YOU COULD BLOW UP
10 THE BOTTOM PORTION OF THE DOCUMENT.

11 ARE THERE TWO SIGNATURES ON THE BOTTOM OF
12 THIS DOCUMENT?

13 A. YES.

14 Q. AND WHOSE SIGNATURES DO YOU RECOGNIZE THEM TO
15 BE?

16 A. ANTHONY POLLACE AND ALBERT HU.

17 Q. AND AGAIN THESE ARE THE SAME TWO SIGNATURES WE
18 LOOKED AT FOR THE SEQUENCE OF STATEMENTS?

19 A. YES, IT IS.

20 Q. AND YOU HAD THE SAME UNDERSTANDING AS TO THE
21 MEANING AND IMPORT OF HAVING THEIR SIGNATURES ON
22 THE BOTTOM OF THE ACCOUNT STATEMENT?

23 A. YES.

24 Q. THAT YOU TESTIFIED TO EARLIER?

25 A. YES.

1 Q. MS. BURNEY IF YOU COULD NOW TURN TO THE NEXT
2 DOCUMENT IN SEQUENCE NUMBER 31.

3 ACTUALLY, BEFORE WE GET TO THIS DOCUMENT
4 MS. DOONG I WANT TO ASK YOU ABOUT A DIFFERENT
5 PORTION OF THE DOCUMENT. NOW WE'VE LOOKED AT A
6 SERIES OF STATEMENTS THIS MORNING, MS. DOONG --

7 AND ACTUALLY MS. BURNEY, IF YOU COULD
8 TURN BACK TO THE DOCUMENT WE WERE JUST LOOKING AT A
9 MOMENT AGO, THE NUMBER 32. THE ONE FOR
10 SEPTEMBER 30TH, 2005, -- JUNE 30TH. 32, SORRY, MY
11 APOLOGIES.

12 SO, MS. DOONG WE NOW LOOKED AT A SERIES
13 OF STATEMENTS FOR '05, HOW LONG AT THIS POINT HAD
14 YOUR SISTER HAD HER INVESTMENT IN ASENQUA BETA
15 FUND?

16 A. A LITTLE BIT OVER A YEAR.

17 Q. OVER A YEAR?

18 A. YES.

19 Q. BECAUSE SHE INVESTED IN JULY 2ND, '04 AND THIS
20 IS FOR JUNE 30TH, '05, SO JUST ABOUT A YEAR?

21 A. OH, SORRY. YES, JUST APPROXIMATELY A YEAR.

22 Q. AND AT THIS POINT HOW WERE YOU -- WHAT WAS
23 YOUR FEELING IN REGARD TO HOW THE INVESTMENT WAS
24 DOING IN GENERAL TERMS?

25 A. MY SISTER WAS VERY HAPPY.

1 Q. NOW, AROUND THIS TIME IN THE SUMMER OF 2005,
2 DID YOU EVER HAVE OCCASION TO ASK MR. HU FOR ANY
3 ADDITIONAL INFORMATION RELATIVE TO THE PERFORMANCE
4 OF THE ASENQUA BETA FUND?

5 A. YES, BECAUSE THE RETURN IS HEALTHY AND GOOD
6 AND MY SISTER WAS THINKING ABOUT INVESTING MORE
7 MONEY.

8 AND BEFORE, WE JUST ADVISE HER THAT WAIT,
9 SEE HOW THE RETURN FOR THIS FUND, EVEN THOUGH THE
10 PAST RECORD SHOWED THE FUND PERFORMED CONSISTENTLY
11 VERY GOOD.

12 Q. SO --

13 A. SO WE ASKED FOR SOME ANNUAL REPORT FROM
14 ASENQUA BETA FUND.

15 Q. WHAT DO YOU MEAN BY ANNUAL REPORT?

16 A. USUALLY FOR A FUND THEY HAVE THEIR ANNUAL
17 REPORT THAT INCLUDING THE BALANCE SHEET OR THE
18 ANNUAL IF ANY SITUATION.

19 Q. SO WERE YOU LOOKING FOR MORE INFORMATION
20 REGARDING THE PERFORMANCE OF THE FUND?

21 A. YES.

22 Q. AND YOU WERE LOOKING FOR -- WELL, OKAY. SO IN
23 RESPONSE TO THAT, DID YOU RECEIVE ANY DOCUMENTS
24 FROM ANYONE?

25 A. YES.

1 Q. WHAT KIND OF DOCUMENTS DID YOU RECEIVE?

2 A. WE RECEIVE AUDIT REPORT.

3 Q. AND IF I COULD ASK --

4 A. FOR YEAR 2004.

5 Q. IF I COULD ASK MS. BURNEY NOW TO MOVE TO PAGE
6 1 THROUGH PAGE 7 OF THIS EXHIBIT.

7 AND I WOULD ASK MS. DOONG IF YOU COULD
8 TURN YOUR ATTENTION TO BATES NUMBER 993A AT THE
9 BOTTOM RIGHT-HAND CORNER?

10 A. YES.

11 Q. DO YOU HAVE THAT DOCUMENT IN FRONT OF YOU,
12 MA'AM. IT'S UP ON THE SCREEN NOW AS WELL.

13 DO YOU RECOGNIZE THIS PAGE OF EXHIBIT 63?

14 A. I DO.

15 Q. WHAT IS IT?

16 A. IT'S AUDIT REPORT SENT TO US ABOUT ASENQUA
17 BETA FUND.

18 Q. IS THIS THE DOCUMENT YOU WERE REFERRING TO A
19 MOMENT AGO THAT YOU RECEIVED IN RESPONSE TO YOUR
20 QUESTIONS REGARDING AN ANNUAL REPORT?

21 A. YES, THAT'S THE DOCUMENT.

22 Q. YOU SAID IT WAS SENT TO YOU, WHAT DO YOU MEAN
23 BY THAT SENT TO YOU?

24 A. I DON'T REMEMBER HOW IT WAS DELIVERED TO ME.

25 Q. BUT YOU -- DO YOU RECALL RECEIVING THE

1 DOCUMENT?

2 A. YES.

3 Q. SOMETIME AFTER DECEMBER 31ST, 2004?

4 A. CORRECT.

5 Q. AND MORE PUTTING A MORE PRECISE DATE ON IT,
6 SOMETIME IN THAT SUMMERTIME OF 2005?

7 A. MAYBE EARLIER.

8 Q. MAYBE EARLIER THAN THAT?

9 A. YES.

10 Q. ONCE YOU RECEIVED THIS DOCUMENT, DID YOU
11 REVIEW IT?

12 A. YES, OF COURSE.

13 Q. WHY DID YOU REVIEW IT?

14 A. READ THROUGH THE WHOLE DOCUMENT AND ESPECIALLY
15 THE FIGURES THERE.

16 Q. AND WHY WAS IT IMPORTANT TO YOU TO REVIEW THIS
17 DOCUMENT?

18 A. BECAUSE THE ACCOUNT STATEMENT IS MAINLY YU-MEI
19 DOONG OWN ACCOUNT AND THIS IS, I COULD LOOK AT OVER
20 ALL FINANCIAL SITUATION FOR THE FUND ITSELF AS A
21 WHOLE.

22 Q. MS. BURNEY, IF YOU COULD TURN TO THE THIRD
23 PAGE IN ON THE DOCUMENT. PAGE 5, BATES STAMP
24 NUMBER 995.

25 DO YOU SEE THAT PAGE IN FRONT OF YOU,

1 MS. DOONG?

2 A. YES, I SEE IT.

3 Q. FIRST MS. BURNEY IF YOU COULD HIGHLIGHT THE
4 FIRST PART OF THE DOCUMENT FROM CASTILLO, LYN,
5 COHEN & VIJAY DOWN TO ASENQUA BETA FUND.

6 AND MS. BURNEY, IF YOU COULD ACTUALLY
7 HIGHLIGHT THE TEXT THAT READS REPORT OF THE
8 INDEPENDENT AUDITORS.

9 DO YOU SEE THE PORTION HIGHLIGHTED THERE,
10 MS. DOONG?

11 A. YES.

12 Q. WHAT DID THAT LINE MEAN TO YOU, THE REPORT OF
13 THE INDEPENDENT AUDITORS?

14 A. IT MEANS THE REPORT HAS BEEN ADVISED AND
15 OBJECTIVE.

16 Q. SO DOES THE WORD INDEPENDENT HAVE SIGNIFICANCE
17 TO YOU?

18 A. DEFINITELY.

19 Q. WHY?

20 A. IT MEANS I HAVE A CERTIFIED INDIVIDUAL OR
21 COMPANY TO PROVE THE CONTENT AND CHECK THE CONTENT
22 OF THIS REPORT.

23 Q. DOES THAT -- DID YOU UNDERSTAND THAT THIS --
24 WHAT WAS YOUR UNDERSTANDING OF THE RELATIONSHIP
25 BETWEEN THIS CASTILLO, LYN, COHEN & VIJAY FIRM AS

1 LISTED HERE ON THIS DOCUMENT AND THE ASENQUA BETA
2 FUND?

3 A. THAT'S AN AUDIT FIRM THAT'S BEING ASKED TO
4 CONDUCT AUDIT.

5 Q. AND WHAT TYPE OF AUDIT?

6 A. FINANCIAL AUDIT.

7 Q. NOW, MS. BURNEY, IF YOU COULD GO BACK TO THE
8 MAIN PORTION OF THE TEXT. AND IF YOU COULD BLOW UP
9 THE PORTION, THE FIRST PARAGRAPH OF THE DOCUMENT.

10 MS. DOONG DO YOU SEE THE HIGHLIGHTED
11 PORTION OF THE DOCUMENT?

12 A. YES.

13 Q. THE ENLARGED PORTION OF THE DOCUMENT. COULD
14 YOU READ THE PARAGRAPH SAYING, WE HAVE AUDITED, OUT
15 LOUD.

16 A. WE HAVE AUDITED THE FINANCIAL STATEMENT OF
17 ASENQUA BETA FUND, THE FUND, FOR THE YEAR ENDED
18 DECEMBER 31ST, 2004 WHICH COMPRISE THE BALANCE
19 SHEET STATEMENT OF CAPITAL ACCOUNTS AND THE RELATED
20 NOTES 1 TO 4.

21 IT IS OUR RESPONSIBILITY TO FORM AN
22 INDEPENDENT OPINION BASED ON OUR AUDIT ON THOSE
23 FINANCIAL STATEMENTS AND TO REPORT OUR OPINION
24 SOLELY TO YOU AS A BODY AND FOR NO OTHER PURPOSE.

25 WE DO NOT ASSUME RESPONSIBILITY TOWARDS

1 OR ACCEPT LIABILITY TO ANY OTHER PERSON FOR THE
2 CONTENTS OF THIS REPORT.

3 Q. MS. DOONG, DID YOU READ THIS, THE FIRST TWO
4 SENTENCES YOU JUST READ INTO THE RECORD NOW, DID
5 YOU READ THESE SENTENCES BACK WHEN YOU RECEIVED
6 THIS DOCUMENT BACK IN 2005?

7 A. YES.

8 Q. WHAT DID YOU TAKE THIS PARAGRAPH TO MEAN WHEN
9 YOU READ IT BACK THEN?

10 A. THAT MEANS IT'S AN INDEPENDENT OPINION ABOUT
11 THE ACCURACY AND CREDIBILITY FOR THE BALANCE SHEET
12 AND STATEMENT OF CAPITAL ACCOUNTS AND EVERY
13 CONTENTS IN THIS AUDIT REPORT.

14 Q. AND WHAT DID YOU UNDERSTAND THE TERM "BALANCE
15 SHEET" TO MEAN WHEN YOU READ IT BACK IN 2005, IN
16 GENERAL TERMS?

17 A. IT'S STANDARD ANNUAL REPORT FROM THE COMPANY
18 FOR THE FUND.

19 Q. AND WAS IT SIGNIFICANT TO YOU THAT THE
20 PARAGRAPH SAID THAT IT IS OUR RESPONSIBILITY TO
21 FORM AN INDEPENDENT OPINION BASED ON OUR AUDIT?

22 A. YES.

23 Q. WHY?

24 A. IT MEANS I HAVE AN ACCOUNTABLE PARTY TO TELL
25 ME THE ASENQUA BETA FUND'S FINANCIAL SITUATION IN

1 YEAR 2004.

2 Q. AND DID YOU UNDERSTAND THAT THE TERM
3 "INDEPENDENT" MEANT THAT THIS FIRM WAS WORKING AT
4 THE DIRECTION OF THE ASENQUA BETA FUND?

5 A. NO.

6 Q. WHY NOT?

7 A. THEN THAT WOULD NOT BE INDEPENDENT.

8 Q. NOW, MS. BURNEY, IF YOU COULD NOW ENLARGE THE
9 SECOND PARAGRAPH OF THIS PAGE OF PAGE 5, BATES
10 NUMBER 995.

11 AND IF YOU COULD HIGHLIGHT MS. BURNEY THE
12 SENTENCE THAT BEGINS, AN AUDIT INCLUDES.

13 MS. DOONG, DO YOU SEE THE PORTION THAT'S
14 HIGHLIGHTED NOW?

15 A. YES, I SEE.

16 Q. COULD YOU READ THAT PORTION INTO THE RECORD
17 PLEASE?

18 A. AN AUDIT INCLUDES EXAMINING ON A TEST BASIS,
19 EVIDENCE SUPPORTING THE AMOUNT AND DISCLOSURE IN
20 THE FINANCIAL STATEMENTS.

21 AN AUDIT ALSO INCLUDES ASSESSING THE
22 ACCOUNTING PRINCIPLES USED AND SIGNIFICANT
23 ESTIMATES MADE BY MANAGEMENT AS WELL AS EVALUATING
24 THE OVER ALL FINANCIAL STATEMENT PRESENTATION.

25 WE BELIEVE THAT OUR AUDIT PROVIDES A

1 REASONABLE BASIS FOR OUR OPINION.

2 Q. MS. DOONG, DID YOU READ THOSE SENTENCES

3 BACK --

4 A. YES, I DID.

5 Q. BACK IN 2005?

6 A. YES.

7 Q. WHAT DID YOU TAKE THEM TO MEAN?

8 A. IT MEANS THE DATA THERE HAS BEEN TESTIFIED AND
9 SUPPORTED BY SUFFICIENT EVIDENCE TO PROVE ITS
10 TRUTHFULNESS.

11 Q. WHAT DOES "TESTING" MEAN, WHAT DID YOU
12 UNDERSTAND THAT TO MEAN ON A TEST BASIS?

13 A. PASS A TEST. I THINK THERE MUST BE A STANDARD
14 ACCOUNTING PRACTICE TO DEFINE A TEST BASIS.

15 Q. AND THAT WAS THE TESTING BEING DONE BY WHOM,
16 WHO WAS DOING THE TESTING?

17 A. BY THE AUDITOR.

18 Q. CASTILLO, LYN, COHEN & VIJAY?

19 A. YES.

20 Q. NOW, MS. BURNEY, IF YOU COULD NOW ENLARGE THE
21 LAST PARAGRAPH OF THIS PAGE BEGINNING, IN OUR
22 OPINION.

23 MS. DOONG, DO YOU SEE THE LANGUAGE NOW ON
24 THE SCREEN?

25 A. YES.

1 Q. COULD YOU READ THAT INTO THE RECORD PLEASE?

2 A. IN OUR OPINION, THE FINANCIAL STATEMENTS
3 REFERRED TO ABOVE PRESENT FAIRLY IN ALL MATERIAL
4 RESPECTS THE FINANCIAL POSITION OF THE FUND AS OF
5 DECEMBER 31ST, 2004, AND THE RESULTS OF ITS
6 OPERATIONS, ITS CASH FLOWS AND CHANGES IN ITS
7 EQUITY FOR THE YEAR THAT ENDED IN ACCORDANCE WITH
8 INTERNATIONAL FINANCIAL REPORTING STANDARDS.

9 Q. DID YOU READ THAT PARAGRAPH BACK?

10 A. YES, I DID.

11 Q. IN 2005?

12 A. YES.

13 Q. WHAT DID YOU TAKE THAT TO MEAN WHEN YOU READ
14 IT BACK THEN?

15 A. I THINK THE MOST IMPORTANT IS IT'S IN
16 ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING
17 STANDARDS.

18 Q. AND WHY DO YOU THINK -- WHY DO YOU SEE THAT'S
19 SO IMPORTANT?

20 A. BECAUSE THE INTERNATIONAL FINANCIAL REPORTING
21 STANDARDS HAVE DEFINED ALL THE NECESSARY ELEMENTS
22 TO PROVE THE ACCURACY AND RELIABILITY AND ALSO THE
23 WHOLENESS OF THE FINANCIAL STATEMENT.

24 Q. MS. BURNEY, IF YOU COULD ENLARGE THE SIGNATURE
25 PORTION OF THE DOCUMENT.

1 MS. DOONG, DO YOU SEE THE ENLARGED
2 PORTION OF EXHIBIT 63 ON THE SCREEN?

3 A. YES.

4 Q. WHAT DID YOU UNDERSTAND THAT SIGNATURE BLOCK
5 DATE AND OTHER LANGUAGE THERE TO MEAN? FIRST OF
6 ALL, LET ME BREAK THIS QUESTION DOWN.

7 DID IT HAVE ANY SIGNIFICANCE TO YOU THAT
8 THIS PAGE WAS SIGNED?

9 A. YES.

10 Q. WHAT WAS THE SIGNIFICANCE OF IT BEING SIGNED
11 TO YOU WHEN YOU READ THIS DOCUMENT BACK IN 2005?

12 A. IT WAS SIGNED AFTER 2005 AND BY A CPA.

13 Q. WHAT DOES THE INITIAL CPA, WHAT DID THAT MEAN
14 TO YOU BACK WHEN YOU RECEIVED THIS DOCUMENT?

15 A. IT MEANS IT'S A CERTIFIED ACCOUNTING
16 INDIVIDUAL WHO IS QUALIFIED TO PERFORM AN AUDIT.

17 Q. AND WAS THAT IMPORTANT TO YOU?

18 A. YES.

19 Q. WHY?

20 A. BECAUSE THAT'S WHAT MAKE THE AUDIT REPORT
21 BEING LEGITIMATE OR BEING COMPLYING TO THE
22 PREREQUISITE AS AN AUDIT REPORT.

23 Q. NOW MS. BURNEY, IF YOU COULD TURN TO THE NEXT
24 PAGE OF THIS EXHIBIT WITH MIDDLE NUMBER 006, BATES
25 NUMBER 996.

1 AND IF YOU COULD ENLARGE THE PORTION OF
2 THE DOCUMENT WHERE THE THIRD OF THE WAY DOWN ON THE
3 TOP OF THE PAGE, INVESTMENTS SECTION. YES, THAT'S
4 IT. AND IF WE COULD GRAB THE YEARS AS WELL, RIGHT
5 ABOVE. PERFECT.

6 MS. DOONG, DO YOU SEE THE PORTION THAT'S
7 NOW BEEN ENLARGED ON OUR VIDEO SCREEN HERE?

8 A. YES.

9 Q. DO YOU RECALL READING THIS ALONG WITH THE REST
10 OF PAGE TWO OF THIS AUDIT REPORT BACK IN 2005?

11 A. YES.

12 Q. WHAT DID YOU TAKE THIS SECTION OF THE PAGE TO
13 MEAN WHERE IT LISTS INVESTMENTS?

14 A. IT MEANS 2004 THEY HAVE GAINED \$33 MILLION AND
15 SAME AS 2003, IT'S DOING PRETTY WELL.

16 Q. WHAT DID YOU UNDERSTAND THE NUMBER OF
17 120,946,307 TO MEAN, UNDERNEATH THE COLUMN LISTING
18 2004 USD SIGN?

19 A. THAT MEANS THE VALUE OF THE SECURITY.

20 Q. THE VALUE OF THE SECURITY?

21 A. RIGHT.

22 Q. AT THAT TIME, IN OR ABOUT THE DATE OF THE
23 REPORT JANUARY 10TH, 2005?

24 A. DECEMBER 31ST, 2004.

25 Q. MS. BURNEY, IF YOU COULD ENLARGE THE PORTION

1 OF THE SCREEN WHERE IT SAYS NET CURRENT ASSETS AND
2 NET ASSET VALUE.

3 MS. DOONG DO YOU SEE THE PORTION OF THE
4 DOCUMENT ENLARGED ON THE SCREEN, THE LISTINGS FOR
5 NET CURRENT ASSETS AND NET ASSETS VALUE?

6 A. NET CURRENT ASSET, YES.

7 Q. SO MS. DOONG, ACCORDING TO THIS REPORT, WHAT
8 DID YOU UNDERSTAND THE NET ASSET VALUE AS OF 2004
9 TO BE FOR THE ASENQUA BETA FUND?

10 A. 19 -- OVER \$19 MILLION.

11 Q. AND HOW ABOUT THE NET ASSET VALUE OF THE
12 ASENQUA BETA FUND?

13 A. OVER \$140,000,000.

14 Q. AND IS THAT NUMBER SIGNIFICANT TO YOU?

15 A. YES.

16 Q. WHY?

17 A. IT MEANS THE FUND HAS SUFFICIENT ASSET THERE
18 SO I DON'T HAVE TO WORRY ABOUT OUR MONEY ON THE
19 ASENQUA BETA FUND, YU-MEI DOONG'S MONEY.

20 Q. AND NOW ARE YOU TELLING US THAT YOUR SISTER'S
21 INVESTMENT IS NOW WORTH 140 MILLION?

22 A. NO. THE TOTAL ASENQUA BETA FUND WORTH
23 \$140 MILLION.

24 Q. WHY WAS IT SIGNIFICANT TO YOU THAT YOUR
25 SISTER'S INVESTMENT WAS PART OF AN OVERALL

1 INVESTMENT THAT NOW HAD NET ASSET VALUE OF 140
2 MILLION?

3 A. HER INVESTMENT IS LESS THAN ONE PERCENT
4 FRACTION OF THE ASSET AND THIS IS THE FUND WITH
5 THIS SIZE, THAT MEANS IT'S ATTRACTIVE FOR INVESTOR.
6 SO IT'S NOT ONLY YU-MEI DOONG. IT'S ONE OF THEM.

7 Q. THEN COMPARING THE TWO NUMBERS LISTED HERE ON
8 THIS PORTION OF THE SCREEN, MS. DOONG, THIS NUMBER
9 LISTED HERE, 110 MILLION?

10 A. YES.

11 Q. AND THE NUMBER LISTED HERE IN 2004 OF 140
12 MILLION?

13 A. YES.

14 Q. WHAT DID YOU TAKE THAT DIFFERENCE TO MEAN
15 BETWEEN 2003 AND 2004?

16 A. IT MEANS THE FUND IS DOING WELL TO INCREASE BY
17 27 PERCENT IN A YEAR.

18 Q. AND WAS THAT SIGNIFICANT TO YOU?

19 A. YES.

20 Q. THAT AND -- AND HAVING SEEN NOW THE AUDITED
21 FINANCIAL STATEMENTS, THIS REPORT FROM THE FIRM OF
22 CASTILLO, LYN, COHEN & VIJAY, DID YOUR REVIEW OF
23 THIS DOCUMENT CAUSE YOU TO BE MORE OR LESS LIKELY
24 TO CONTINUE YOUR SISTER'S INVESTMENT IN THE ASENQUA
25 BETA FUND?

1 A. DEFINITELY MORE.

2 Q. WHY SO?

3 A. BECAUSE A FUND WHO GROW WITH PROFIT AT 27 IS
4 SIGNIFICANT. AND FROM THE REPORT IT'S DOING WELL
5 IN 2003 AS WELL. NET GAIN OF 34 PERCENT FOR A FUND
6 THAT CONSISTENTLY, GIVE THE INVESTOR SUCH A GOOD
7 RETURN, IT'S VERY ENCOURAGING FOR ME AND TO TELL MY
8 SISTER, YES, IF YOU WANTED, YOU CAN INVEST IN MORE.

9 Q. INVEST MORE?

10 A. YES.

11 Q. AND DID THAT IN FACT HAPPEN?

12 A. YES.

13 Q. NOW, DURING THE SAME PERIOD THIS 2005 PERIOD
14 AND IN PARTICULAR THE PERIOD WE LOOKED AT FOR THE
15 ASENQUA BETA FUND ENDING IN JUNE 30TH, '05, DID
16 MR. HU ADVISE YOU AS TO CHANGES TAKES PLACE IN THE
17 ASENQUA BETA FUND?

18 A. AT SOME POINT HE TOLD US HE'S GOING TO MOVE
19 THE FUND TO SINGAPORE TO ASIA.

20 Q. DID HE, AS PART OF THAT ADVISING YOU ABOUT
21 THAT, DID HE EXPLAIN WHY?

22 A. HE DID, BUT I DON'T RECALL BECAUSE I DON'T
23 THINK THAT'S RELEVANT TO YU-MEI DOONG'S ACCOUNT.

24 Q. YOU DIDN'T THINK IT WAS RELEVANT AT THAT TIME?

25 A. I THINK -- I KNOW HE HAS A REASON BUT IT SEEMS

1 IT'S RELEVANT TO OTHER INVESTORS.

2 SO AS THE FUND MANAGEMENT THEY WANT TO
3 TAKE INTO CONSIDERATION EVERYONE'S INTEREST, MAY
4 MAKE THIS MOVEMENT BUT IT DOESN'T MAKE ANY
5 DIFFERENCE TO YU-MEI DOONG. THAT WAS WHAT I
6 REMEMBER.

7 Q. OKAY. SO NOW MS. BURNEY, IF YOU COULD TURN
8 OUR ATTENTION TO BATES NUMBER 1021-A, PAGE NUMBER
9 31.

10 SO MS. BURNEY, IF YOU COULD ACTUALLY TURN
11 TO 29, I'M SORRY, 1021-A.

12 MS. DOONG, DO YOU RECOGNIZE THIS DOCUMENT
13 NOW?

14 A. YES, I DO.

15 Q. WHAT IS THIS DOCUMENT?

16 A. IT'S THE STATEMENT OF ACCOUNT IN Q3 2005.

17 Q. AND NOW, THIS DOCUMENT, WHAT'S -- MS. BURNEY
18 IF YOU COULD HIGHLIGHT THE TOP LEFT CORNER
19 LETTERHEAD PORTION. WHAT ADDRESS IS LISTED THERE,
20 MS. DOONG?

21 A. IT SAYS ADDRESS FOR FIRESIDE CAPITAL
22 MANAGEMENT LIMITED IN SINGAPORE.

23 Q. IS THIS THE SAME OR DIFFERENT ADDRESS?

24 A. IT'S DIFFERENT.

25 Q. HOW ABOUT ON THE LEFT-HAND SIDE OF THE PAGE,

1 MS. BURNEY IF YOU COULD BLOW UP THAT PORTION. WHAT
2 DOES THAT SAY, MS. DOONG?

3 A. THE FIRESIDE.

4 Q. DOES THIS REFERENCE TO FIRESIDE IN SINGAPORE
5 HAVE ANY CONNECTION WITH THE INFORMATION YOU JUST
6 TESTIFIED TO IN REGARD TO SINGAPORE?

7 A. YES, BECAUSE JUST FOLLOWING WHAT WE TALK
8 EARLIER THAT ALBERT HU WANTED TO MOVE THE FUND FROM
9 THE STATE TO SINGAPORE. AND HE CHANGED THE NAME
10 FROM ASENQUA BETA FUND TO FIRESIDE.

11 Q. NOW, MS. BURNEY, IF YOU COULD ENLARGE THE
12 PORTION OF THE DOCUMENT REGARDING THE BOX.

13 MS. DOONG, THERE APPEARS TO BE A
14 REFERENCE IN THIS DOCUMENT OF A TRANSACTION
15 OCCURRING ON 8-25-05?

16 A. YES.

17 Q. WHAT'S GOING ON AS YOU UNDERSTOOD AT THAT
18 POINT?

19 A. THAT WAS AFTER WE RECEIVED THE AUDIT REPORT
20 AND MY SISTER YU-MEI WANTED TO INVEST IN MORE
21 EARLIER THAN THAT. SO AFTER REVIEWING THE REPORT I
22 JUST ADVISE HER IF YOU WANTED YOU CAN PUT IN MORE
23 MONEY. THEREFORE THE SECOND INVESTMENT COMES IN
24 AUGUST 2005.

25 Q. AND DO YOU RECALL RECEIVING THIS DOCUMENT IN

1 OR AROUND SEPTEMBER 30TH OF '05?

2 A. YES.

3 Q. HOW DID YOU COME TO RECEIVE IT?

4 A. HAND DELIVER.

5 Q. BY WHOM?

6 A. AT THAT POINT I BELIEVE IT'S STILL ALBERT HU.

7 Q. AND WHERE DID YOU RECEIVE IT?

8 A. IN TAIPEI.

9 Q. AND MS. BURNEY, IF YOU COULD NOW TURN TO THE
10 DOCUMENT BATES NUMBER 1019.

11 MS. DOONG DO YOU RECOGNIZE THIS PAGE OF
12 EXHIBIT 63?

13 A. YES, I DO.

14 Q. WHAT IS THIS DOCUMENT WE ARE LOOKING AT?

15 A. YU-MEI DOONG'S STATEMENT OF ACCOUNT FOR Q4,
16 2005.

17 Q. IF YOU COULD TURN TO THE NEXT PAGE OF THE
18 DOCUMENT, MS. BURNEY. IF YOU COULD ENLARGE THE TOP
19 PORTION OF THE DOCUMENT.

20 WHAT DID YOU UNDERSTAND YOUR SISTER'S
21 BALANCE TO BE AS OF THIS TIME FRAME MS. DOONG?

22 A. 396,336.07.

23 Q. AND AGAIN, WHOSE SIGNATURES DO YOU SEE ON THIS
24 PAGE OF THE DOCUMENT?

25 A. ANTHONY POLLACE AND ALBERT HU.

1 Q. NOW MS. BURNEY IF YOU COULD TURN TO 1017-A.
2 AND TO THE SECOND PAGE OF THAT DOCUMENT NOW AS
3 WELL.

4 MS. DOONG IS THIS ANOTHER ACCOUNT
5 STATEMENT?

6 A. YES.

7 Q. WHAT'S THE TIME FRAME FOR THIS ACCOUNT
8 STATEMENT?

9 A. FROM Q1, 2006.

10 Q. DID YOU RECEIVE THIS DOCUMENT?

11 A. YES.

12 Q. AND HOW DID YOU COME TO HAVE IT?

13 A. MOST LIKELY FROM ALBERT HU.

14 Q. AND WHERE, DO YOU RECALL WHERE YOU WERE?

15 A. IN TAIPEI.

16 Q. AND LOOKING AT THE SECOND PAGE OF THIS ACCOUNT
17 STATEMENT, WHAT WAS THE VALUE LISTED IN THIS
18 STATEMENT AS OF THE DATE TIME FRAME MARCH 31ST --

19 A. \$420,948.54.

20 Q. SO HOW DID YOU TAKE YOUR SISTER'S INVESTMENT
21 TO BE DOING AT THIS POINT AS OF MARCH 31ST, 2006?

22 A. IT'S GROWING EVEN BETTER THAN THE YEAR BEFORE.

23 Q. AND WHOSE SIGNATURES DO YOU SEE BELOW THE
24 ACCOUNT VALUE?

25 A. ANTHONY POLLACE AND MR. ALBERT HU.

1 Q. OKAY. AND NOW MS. BURNEY, IF YOU COULD TURN
2 TO THE NEXT SEQUENCE 1015 AND 1016-A.

3 MS. DOONG, DO YOU RECOGNIZE THESE PAGES?

4 A. YES, I DO.

5 Q. WHAT ARE THESE PAGES?

6 A. THOSE TWO PAGES ARE Q2, 2006 OF YU-MEI DOONG'S
7 STATEMENTS OF ACCOUNT.

8 Q. AND MS. BURNEY, IF YOU COULD NOW BLOW UP THE
9 BOX THAT'S ON 1016-A AT THE TOP. AND PERHAPS IF
10 YOU COULD MAKE IT ANY LARGER FOR THE JURY.

11 SO MS. DOONG, NOW DO YOU SEE THE
12 REFERENCE THERE OF THE TRANSACTION OCCURRING ON
13 3-14-2006?

14 A. YES.

15 Q. IT SAYS \$200,000?

16 A. YES.

17 Q. WHAT'S GOING ON THERE AS YOU RECALL?

18 A. WELL, BECAUSE THE PROFIT IS GOOD MY SISTER
19 WANTED TO PUT IN MOST OF HER MONEY IN. SO SHE
20 INVESTED ANOTHER 200,000 AT THAT TIME.

21 Q. AND YOU WERE INVOLVED IN ARRANGING THAT
22 INVESTMENT AS WELL?

23 A. BASICALLY SHE ASKED ME THAT SHE WANTED TO
24 INVEST IT AND I SAY YES. AND THEN SHE WIRED THE
25 MONEY TO THE ACCOUNT.

1 Q. OKAY. AND WHAT WAS THE VALUE AT THAT POINT AS
2 OF THE STATEMENT DATE OF JUNE 30TH, 2006?

3 A. 618,437.00.

4 Q. OKAY. NOW, MS. BURNEY, IF YOU COULD TURN TO
5 NEXT IN SEQUENCE, 1013-A AND 1014-A. IF YOU COULD
6 PLACE BOTH PAGES -- THANK YOU.

7 WHAT ARE THESE TWO PAGES OF EXHIBIT 63,
8 MS. DOONG?

9 A. THE Q2, 2006 STATEMENT OF ACCOUNT FOR YU-MEI
10 DOONG'S FIRESIDE.

11 Q. AND WHAT'S THE VALUE AT THE END OF THE
12 DOCUMENT -- AND MS. BURNEY, IF YOU COULD JUST SHOW
13 1014-A, NOW.

14 A. \$671,702.98.

15 Q. AND WHOSE SIGNATURES ARE IMMEDIATELY BELOW
16 THAT?

17 A. ANTHONY POLLACE AND ALBERT HU AT THE END.

18 Q. NOW MS. BURNEY IF YOU COULD TURN TO 1011 AND
19 1012-A.

20 Q. MS. DOONG, WHAT ARE THESE PAGES OF EXHIBIT 63?

21 A. THOSE ARE THE Q2 -- Q4 STATEMENT OF ACCOUNT
22 FOR YU-MEI DOONG IN FIRESIDE FUND.

23 Q. WHAT'S THE STATEMENT DATE?

24 A. DECEMBER 31ST, 2006.

25 Q. HOW DID YOU COME TO HAVE THIS DOCUMENT?

1 A. IT WAS HAND DELIVERED. I BELIEVE THAT TIME,
2 PROBABLY WAS DONE BY AMY CHAN.

3 Q. SHE DELIVERED IT TO YOU?

4 A. YES ALL THE STATEMENTS ARE HAND DELIVERED.

5 Q. WHO IS AMY CHEN?

6 A. AMY CHEN IS AN ASSISTANT FOR ALBERT HU
7 STATIONED IN TAIWAN.

8 Q. I TAKE IT YOU RECEIVED THIS DOCUMENT IN
9 TAIWAN?

10 A. YES.

11 Q. MS. BURNEY, IF WE COULD TURN TO 1012-A.

12 MS. DOONG, DO YOU SEE THE TRANSACTIONS OF
13 11606?

14 A. YES.

15 Q. WHAT IS THAT IN REFERENCE TO?

16 A. ANOTHER FUND INJECTED INTO FIRESIDE FUND BY
17 YU-MEI DOONG.

18 Q. COULD YOU TELL US ABOUT HOW THAT CAME TO PASS
19 HOW THERE WAS ANOTHER INVESTMENT?

20 A. IT WAS JUST MY YOUNGER SISTER WAS PULLING THE
21 MONEY TOGETHER. AND IF YOU LOOK AT THE GAIN FROM
22 THE FUND AND HE WANTED TO PUT IN MORE.

23 Q. SO DID THE QUARTERLY STATEMENTS WE JUST LOOKED
24 AT FOR 2006, WE HAVING GOING THROUGH?

25 A. YES.

1 Q. DID THAT PLAY ANY ROLE IN THE INVESTMENT THAT
2 TOOK PLACE ON 11-3-06 AND 11-6-06?

3 A. YES.

4 Q. HOW SO?

5 A. BECAUSE IT'S CONSISTENTLY DOING WELL EXCEPT A
6 SMALL LOSS AT Q2, BUT Q3 BOUNCED BACK. SO SHE FELT
7 OKAY, IT'S BACK TO THE TRACK, SO SHE WAS WILLING TO
8 PUT IN THE REST OF THE MONEY.

9 Q. AND YOU WERE PART OF THE PROCESS IN ADVISING
10 YOUR SISTER ABOUT, IN TERMS OF REVIEWING THE
11 STATEMENTS?

12 A. YES.

13 Q. AND WHAT INFORMATION WERE YOU SHARING WITH HER
14 REGARDING YOUR REVIEW OF THE STATEMENTS?

15 A. I SHARE WITH HER ALL THE STATEMENT OF ACCOUNTS
16 I RECEIVED AND IF SHE WANTED TO PUT IN MORE MONEY
17 SHE WOULD CONSULT ME AND THEN SHE WILL WIRE THE
18 MONEY.

19 Q. NOW MS. DOONG IN CONNECTION WITH THIS
20 INVESTMENT IN OR AROUND NOVEMBER 2006 THESE TWO
21 WIRES OF 73,000 AND 257,000, DID YOU RECEIVE ANY
22 ADDITIONAL DOCUMENTS IN FIRESIDE IN OR AROUND THE
23 TIME OF NOVEMBER 2006?

24 A. NO.

25 Q. LET ME SHOW YOU A DOCUMENT THAT MIGHT REFRESH

1 YOUR RECOLLECTION. IF YOU COULD TURN --

2 A. YOU TALK ABOUT SUBSCRIPTION BOOKS. OKAY.

3 YES.

4 Q. SO YOU RECALL RECEIVING A SUBSCRIPTION
5 BOOKLET?

6 A. YES, BUT THAT'S FOR FIRESIDE FUND.

7 Q. OKAY. SO LET'S TURN TO PAGE 1108 OF
8 EXHIBIT 63. MS. DOONG DO YOU RECOGNIZE THIS FIRST
9 PAGE OF EXHIBIT 63?

10 A. YES, I DO.

11 Q. AND YOU SEE IN FRONT OF YOU THERE'S -- THIS
12 GOES ON FOR SEVERAL PAGES IN FACT 33 PAGES?

13 A. YES.

14 Q. IF YOU COULD TAKE A MOMENT BEFORE WE ASK
15 FURTHER QUESTIONS JUST TO MAKE SURE YOU ARE
16 SATISFIED THAT'S ALL THE PAGES OF THIS PARTICULAR
17 DOCUMENT THE FIRESIDE LS FUND SUBSCRIPTION BOOKLET.
18 UP THROUGH BATES 1141. I'M SORRY, NOT 1141 -- YES,
19 1141. DO YOU RECOGNIZE THIS DOCUMENT IN ITS
20 ENTIRETY?

21 A. YES.

22 Q. SO WHAT IS THIS DOCUMENT WE ARE LOOKING AT
23 NOW?

24 A. IT'S A FUND SUBSCRIPTION BOOKLET YOU RECEIVE
25 WHEN YOU PARTICIPATE IN A FUND. AND THIS IS COMPLY

1 TO THAT FORMAT.

2 AND THIS IS FOR THE FIRESIDE FUND OF
3 YU-MEI DOONG. SEEMS THEY CHANGED FROM ASENQUA BETA
4 FUND AND THEY ISSUE THIS TO THE INVESTOR.

5 Q. AND I WOULD ASK FIRST, MS. BURNEY, IF YOU
6 COULD TURN TO BATES NUMBER 1137. DO YOU SEE THAT
7 SIGNATURE ON -- ACTUALLY MS. BURNEY, IF YOU COULD
8 ENLARGE THAT DOCUMENT.

9 DO YOU SEE THE DATE LISTED THERE,
10 MS. DOONG?

11 A. YES.

12 Q. WHAT DATE IS THAT?

13 A. NOVEMBER 7, 2006.

14 Q. DO YOU SEE THE SIGNATURE JUST TO THE RIGHT OF
15 IT?

16 A. YES.

17 Q. ABOVE INVESTORS SIGNATURE?

18 A. YES.

19 Q. WHOSE SIGNATURE DO YOU RECOGNIZE THAT TO BE?

20 A. IT'S MY SISTER'S SIGNATURE AND I SIGNED FOR
21 HER.

22 Q. YOU SIGNED FOR HER?

23 A. YES.

24 Q. NOW I WOULD ASK, MS. BURNEY, IF YOU COULD TURN
25 TO BATES NUMBER 1127. FIRST, IF YOU COULD ENLARGE

1 THE DOCUMENT WHERE IT SAYS, UNDERSIGNED'S
2 COMMITMENT IS, ALL THE WAY DOWN THROUGH THE DATE
3 LINE AS WELL. THANK YOU.

4 MS. DOONG, DO YOU RECOGNIZE AGAIN THE
5 SIGNATURES LISTED BELOW INDIVIDUALS?

6 A. YES.

7 Q. WHOSE SIGNATURE IS THAT?

8 A. YU-MEI DOONG'S SIGNATURE SIGNED BY ME.

9 Q. AND BELOW LISTED FIRESIDE LS FUND?

10 A. IT'S ALBERT HU'S SIGNATURE.

11 Q. AND AGAIN, HOW DID YOU COME TO HAVE THIS
12 DOCUMENT, THIS SUBSCRIPTION BOOKLET WE ARE LOOKING
13 THROUGH NOW?

14 A. I DON'T REMEMBER. IT COULD BE THROUGH MAIL.

15 Q. OKAY. BUT YOU HAVE A MEMORY THOUGH OF
16 RECEIVING IT IN OR AROUND THIS TIME FRAME NOVEMBER
17 OF '06?

18 A. YES.

19 Q. NOW MS. BURNEY, IF YOU COULD TURN TO BATES
20 NUMBER 1123 OF THE SUBSCRIPTION BOOKLET. IF YOU
21 COULD ENLARGE PARAGRAPH 12, PLEASE.

22 THANK YOU.

23 MS. DOONG DO YOU SEE IS THE ENLARGED
24 PORTION ON THE SCREEN IN FRONT OF YOU?

25 A. YES.

1 Q. WHAT IS THE TITLE AS YOU UNDERSTAND IT OF THIS
2 SECTION OF THE SUBSCRIPTION BOOKLET IN BOLD?

3 A. LEGAL REPRESENTATION, WAIVER OF CONFLICTS.

4 Q. COULD YOU READ THE FIRST SENTENCE OF THE
5 PARAGRAPH, PLEASE.

6 A. THE INVESTOR UNDERSTANDS THAT PROSKAUER ROSE
7 HAS BEEN ENGAGED TO ACT AS LEGAL COUNSEL TO THE
8 FUND, THE INVESTMENT MANAGER, THE ORDINARY
9 SHAREHOLDER AND THE MASTER FUND COLLECTIVELY, THE
10 FUND AFFILIATED GROUP.

11 Q. AND MA'AM, BY QUESTION NOW IS, DO YOU RECALL
12 AMONG OTHER PORTIONS OF THE SUBSCRIPTION BOOKLET
13 REVIEWING THIS PORTION OF THE BOOKLET PRIOR TO
14 MAKING ANY FURTHER INVESTMENT?

15 A. YES.

16 Q. WHAT DID YOU UNDERSTAND THIS REFERENCE TO
17 PROSKAUER ROSE LLP TO MEAN AT THE TIME?

18 A. IT MEANS THE FUND HAS BEEN MONITORED BY
19 PROSKAUER ROSE AS A LEGAL COUNSEL.

20 Q. AND WAS THAT SIGNIFICANT TO YOU AT THE TIME?

21 A. YES.

22 Q. WHY?

23 A. IT MEANS THE FUND WAS MONITORED.

24 Q. AND WHAT DO YOU MEAN BY MONITORED?

25 A. IT MEANS IT'S MONITORED TO MAKE SURE IT COMPLY

1 TO ALL THE LEGAL OR FINANCIAL REGULATION
2 REQUIREMENTS.

3 Q. AND MS. DOONG WHERE IT SAYS IN THIS FIRST
4 SENTENCE THE INVESTOR UNDERSTANDS THAT PROSKAUER
5 ROSE LLP, HAS BEEN ENGAGED TO ACT AS LEGAL COUNSEL
6 TO THE FUND, DOES THAT MEAN -- DID YOU UNDERSTAND
7 IT TO MEAN THAT THE FUND MIGHT BE IN THE PROCESS OF
8 TRYING TO GET PROSKAUER ROSE TO BE RETAINED OR HAD
9 IT ALREADY BEEN DONE?

10 A. IT'S ALREADY DONE. HAS BEEN ENGAGED.

11 Q. IT WAS IN THE PAST TENSE?

12 A. YES.

13 Q. I WANT TO SHOW YOU SEVERAL MORE ACCOUNT
14 STATEMENTS, MS. DOONG. I WANT TO TRY TO LOOK AT
15 THESE AS A SERIES. BEGINNING ON BATES NUMBER 1009
16 AND 1010.

17 A. OKAY.

18 Q. MS. DOONG, DO YOU RECOGNIZE THE DOCUMENTS THAT
19 ARE NOW UP ON THE VIDEO SCREEN?

20 A. YES.

21 Q. WHAT ARE THESE DOCUMENTS?

22 A. Q12007 STATEMENT OF ACCOUNT FOR YU-MEI DOONG
23 UNDER FIRESIDE FUND.

24 Q. DID YOU RECEIVE THE STATEMENT SOMETIME CLOSE
25 TO MARCH 31ST, 2007?

1 A. YES, A BIT LATER.

2 Q. HOW DID YOU RECEIVE IT?

3 A. THROUGH HAND DELIVERY BY AMY CHEN.

4 Q. AND WHERE DID YOU RECEIVE IT?

5 A. IN TAIPEI.

6 Q. TURNING NOW MS. BURNEY, IF YOU COULD SHOW THE
7 SECOND PAGE OF THIS TWO-PAGE STATEMENT. IF YOU
8 COULD ENLARGE THE LISTING OF TOTAL VALUE.

9 HOW HAD YOUR, IN READING THIS STATEMENT
10 MS. DOONG AT THE TIME YOU RECEIVED IT, WHAT DID YOU
11 UNDERSTAND YOUR SISTER'S TOTAL VALUE TO BE?

12 A. 1,122,181.05.

13 Q. WHOSE SIGNATURES WERE ON THE BOTTOM OF THIS
14 PAGE?

15 A. THE SAME ANTHONY POLLACE AND ALBERT HU.

16 Q. NOW MS. BURNEY, IF YOU COULD TURN TO THE NEXT
17 IN SEQUENCE. 1006 AND 1007.

18 THIS IS A LITTLE BIT MORE DIFFICULT TO
19 READ, BUT IF YOU COULD HIGHLIGHT, MS. BURNEY, THE
20 DATE LISTED ON THE FIRST PAGE AT BATES 006.

21 MS. DOONG, DO YOU RECOGNIZE THESE TWO
22 PAGES OF EXHIBIT 63?

23 A. YES.

24 Q. WHAT IS IT?

25 A. IT'S A STATEMENT OF ACCOUNT Q4, 2004 FOR

1 YU-MEI DOONG'S FIRESIDE LS FUND.

2 Q. AS OF WHAT YEAR?

3 A. YEAR OF 2007.

4 Q. SO THE END OF THE YEAR?

5 A. YES.

6 Q. SO IF WE COULD TURN NOW TO 1007 AND THE TOTAL
7 VALUE LISTING THERE, MS. BURNEY.

8 AND AGAIN, JUST TO REMIND US, HOW DID YOU
9 COME TO HAVE THIS DOCUMENT?

10 A. IT WAS HAND DELIVERY BY AMY CHEN IN TAIPEI.

11 Q. AND WHAT DID YOU UNDERSTAND THE TOTAL VALUE TO
12 BE NOW AS OF THE END OF 2007 FOR INJURY SISTER'S
13 INVESTMENT IN FIRESIDE?

14 A. \$1,395,421.00

15 Q. WHOSE SIGNATURE IS IMMEDIATELY BELOW THAT?

16 A. ANTHONY POLLACE AND ALBERT HU.

17 Q. MS. BURNEY, NOW IF YOU COULD TURN TO 003 AND
18 004 AND 5. THREE-PAGE DOCUMENT AS PART OF
19 EXHIBIT 63.

20 SO BEGINNING ON THE FIRST TWO PAGES,
21 MS. DOONG WHAT YOU'RE LOOKING AT HERE ON THE VIDEO
22 SCREEN?

23 A. IT'S Q1, 2008, STATEMENT OF ACCOUNT FOR YU-MEI
24 DOONG IN FIRESIDE FUND.

25 Q. AND AGAIN, HOW DID YOU COME TO HAVE THIS

1 PARTICULAR STATEMENT?

2 A. HAND DELIVERED BY AMY CHEN IN TAIPEI.

3 Q. AND TURNING NOW TO THE LAST PAGE OF THIS
4 DOCUMENT 1005, WHAT WAS THE TOTAL VALUE LISTED AT
5 THAT POINT?

6 A. \$1,401,472.61.

7 Q. AND WHOSE SIGNATURE IS IMMEDIATELY BELOW THAT?

8 A. ANTHONY POLLACE AND ALBERT HU.

9 Q. NOW MS. BURNEY IF YOU COULD TURN TO DOCUMENTS
10 1000 AND 1001.

11 AGAIN, THIS IS THREE PAGES OF RELATED
12 DOCUMENTS.

13 MS. DOONG, DO YOU RECOGNIZE THIS PAGE
14 BEGINNING ON 1,000?

15 A. YES, I DO.

16 Q. WHAT IS IT?

17 A. Q2 2002 STATEMENT OF ACCOUNT FOR YU-MEI DOONG
18 AT FIRESIDE FUND.

19 Q. HOW DID YOU COME TO HAVE THIS STATEMENT?

20 A. IT'S AGAIN HAND DELIVERED BY AMY CHEN IN
21 TAIPEI.

22 Q. TURNING TO BATES, MS. BURNEY IF YOU COULD
23 HIGHLIGHT THE TOTAL VALUE SECTION. WHAT'S THE
24 TOTAL VALUE LISTED THERE?

25 A. \$1,437,774.56.

1 Q. AND THAT'S YOUR SISTER'S INVESTMENT TOTAL
2 VALUE AS OF WHAT DATE?

3 A. JUNE 30TH, 2008.

4 Q. WHOSE SIGNATURE IS IMMEDIATELY BELOW THAT?

5 A. ANTHONY POLLACE AND ALBERT HU.

6 Q. MS. DOONG TO 2007 DID YOU HAVE ANY OCCASION TO
7 BE INVOLVED IN ANY ADDITIONAL INVESTMENT INVOLVING
8 ALBERT HU ASIDE FROM YOUR SISTER?

9 A. YES.

10 Q. COULD YOU TALK TO US ABOUT THAT?

11 A. MY HUSBAND AND I -- MY HUSBAND BROUGHT UP THAT
12 ALBERT IS RAISING ANOTHER FUND CALLED AQC.

13 Q. SO YOU LEARNED OF ANOTHER FUND INVOLVING
14 MR. HU?

15 A. YES.

16 Q. AND WHAT WAS THE NATURE OF AQC, WAS IT GOING
17 TO BE MORE OR LESS CONSERVATIVE INVESTING STYLE?

18 A. MORE CONSERVATIVE THAT WAS HOW THE FUND WAS
19 REPRESENTED AT THE BEGINNING.

20 Q. DID YOU PROCEED TO FOLLOW THROUGH MAKING AN
21 INVESTMENT IN AQC?

22 A. YES.

23 Q. AND I WOULD LIKE TO, MS. BURNEY IF YOU COULD
24 FLASH UP ON THE SCREEN BEGINNING AT BATES 1032,
25 PAGE 40.

1 MS. BURNEY IF YOU COULD ENLARGE THE
2 PORTION OF THE DOCUMENT WHERE IT SAYS AQC VALUE.

3 DO YOU RECOGNIZE THIS DOCUMENT,
4 MS. DOONG?

5 A. YES, I DO.

6 Q. WHAT'S THE TRANSACTION REFERENCE THERE
7 2/1-9/2007?

8 A. YES.

9 Q. WHAT'S THAT IN REFERENCE TO?

10 A. I WIRE IN 300,000 TO AQC FUND.

11 Q. WHAT IF ANYTHING HAD MR. HU EXPLAINED TO YOU
12 ABOUT THE AQC FUND PRIOR TO MAKING THAT INVESTMENT?

13 A. IT WAS LIKE OTHER FUND WILL MANAGE.

14 Q. HOW DID YOU COME TO HAVE THE STATEMENT WE ARE
15 LOOKING AT NOW FOR MARCH 31ST, 2007?

16 A. IT'S AGAIN HAND DELIVERED BY AMY CHEN TO ME IN
17 TAIPEI.

18 Q. WHOSE SIGNATURES ARE LISTED BELOW THAT
19 SECTION?

20 A. SAME ANTHONY POLLACE AND ALBERT HU.

21 Q. MS. BURNEY IF YOU COULD TURN TO 1031 PAGE 39.

22 Q. WHAT IS THIS?

23 A. IT'S MY Q2, 2007 SUMMARY ACCOUNT FOR AQC FUND.

24 Q. HOW DID YOU COME TO HAVE THIS DOCUMENT?

25 A. HAND DELIVERED BY AMY CHEN IN TAIPEI TO ME.

1 Q. WHOSE SIGNATURE IS IMMEDIATELY BELOW THE TOTAL
2 VALUE?

3 A. ANTHONY POLLACE AND ALBERT HU.

4 Q. WHAT'S THE VALUE LISTED THERE AS OF JUNE 30TH,
5 2007?

6 A. \$323,037.50.

7 Q. HOW HAD, BASED ON THE STATEMENT HOW DID YOU
8 UNDERSTAND YOUR INVESTMENT TO HAVE DONE SINCE YOU
9 MADE THE INVESTMENT?

10 A. THE INVESTMENT IS DOING PRETTY GOOD, BETTER
11 THAN I EXPECTED.

12 Q. IF YOU COULD TURN TO BATES NUMBER 1038 IN THE
13 MIDDLE OF THE DOCUMENT. WHAT IS THIS DOCUMENT NOW
14 MS. DOONG?

15 A. IT'S MY Q42007 SUMMARY OF ACCOUNT FOR AQC
16 FUND.

17 Q. WHAT'S THE STATEMENT DATE?

18 A. DECEMBER 31ST, 2007.

19 Q. WHAT WAS THE TOTAL VALUE BASED ON THIS
20 DOCUMENT?

21 A. \$351,580.83.

22 Q. HOW DID YOU COME TO HAVE THIS DOCUMENT?

23 A. HAND DELIVERED BY AMY CHEN TO ME IN TAIPEI.

24 Q. WHOSE SIGNATURES ARE DIRECTLY BELOW THE TOTAL
25 VALUE?

1 A. ANTHONY POLLACE AND ALBERT HU AND ALBERT HU.

2 Q. MS. BURNEY IF YOU COULD TURN TO 1029, PAGE 37.

3 MS. DOONG DO YOU RECOGNIZE THIS PAGE OF
4 EXHIBIT 63?

5 A. YES, I DO.

6 Q. WHAT IS IT?

7 A. IT'S MY Q1, 2008 AQC FUNDS SUMMARY OF ACCOUNT.

8 Q. HOW DID YOU COME TO HAVE THIS DOCUMENT?

9 A. HAND DELIVERED BY AMY CHEN IN TAIPEI.

10 Q. TO YOU?

11 A. YES, TO ME IN PERSON.

12 Q. AND WHAT IS THE TOTAL VALUE AS YOU UNDERSTOOD
13 IT WHEN YOU RECEIVED IT BACK IN 2008?

14 A. \$359,903.46.

15 Q. DID YOU UNDERSTAND YOUR INVESTMENT WAS GOING
16 UP OR DOWN IN VALUE AT THIS POINT IN 2008?

17 A. IT'S UP, NOT AS GOOD AS FIRESIDE BUT I WAS
18 VERY PLEASED.

19 Q. AND WHOSE SIGNATURE IS DIRECTLY BELOW THE
20 TOTAL VALUE BOX?

21 A. ANTHONY POLLACE AND ALBERT HU.

22 Q. NOW TURNING TO BATES 1028, DO YOU RECOGNIZE
23 THIS PAGE?

24 A. YES.

25 Q. WHAT IS IT?

1 A. IT'S MY Q2, 2008 AQC SUMMARY OF ACCOUNT.

2 Q. WHAT'S THE TOTAL VALUE LISTED THERE?

3 A. 368,026.47.

4 Q. HOW DID YOU COME TO HAVE THIS DOCUMENT?

5 A. FROM AMY CHEN HAND DELIVER.

6 Q. WHOSE SIGNATURES ARE BELOW?

7 A. ANTHONY POLLACE AND ALBERT HU.

8 Q. ANTHONY POLLACE AND ALBERT HU?

9 A. YES.

10 Q. I'M SORRY WHAT WERE YOU GOING TO SAY?

11 A. THIS IS AFTER WE REQUEST THE REDEMPTION.

12 Q. WE WERE JUST GOING TO GET TO THAT HERE. YOU
13 ARE ANTICIPATING MY NEXT QUESTION?

14 A. OH, SORRY.

15 Q. NOW AT SOME POINT IN 2008, MS. DOONG, DID YOU
16 COME TO A DECISION ABOUT RETAINING YOUR FUNDS IN
17 AQC AND YOUR SISTER'S FUNDS IN THE FIRESIDE FUND?

18 A. NO, WE WANTED TO PULL OUT ALL THE FUNDS.

19 Q. AND WHEN DID THAT APPROXIMATELY OCCUR?

20 A. EARLY YEAR OF 2008.

21 Q. OKAY. I'M GOING TO SHOW YOU SOME DOCUMENTS
22 NOW.

23 IF YOU COULD TURN TO PAGE 1041 AND 1042
24 OF THE DOCUMENTS IN FRONT OF YOU.

25 MS. BURNEY, IF YOU COULD PUT THOSE TWO

1 DOCUMENTS ON THE SCREEN, PLEASE.

2 WHAT ARE THESE TWO PAGES WE ARE LOOKING
3 AT NOW, MS. DOONG?

4 A. THOSE ARE THE REQUESTS TO WITHDRAW MY AQC FUND
5 AND MY SISTER'S ASENQUA BETA FUND.

6 Q. AND THERE APPEARS TO BE A DATE LISTED ON
7 THERE?

8 A. YES.

9 Q. WHAT DATE --

10 A. FEBRUARY 19, 2008.

11 Q. THERE APPEARS TO BE A SERIES OF SIGNATURES ON
12 THE FIRST DOCUMENT BATES 1041-A. WHOSE NAME IS
13 LISTED THERE?

14 A. NAI FEN DOONG.

15 Q. THAT'S YOU?

16 A. YES.

17 Q. WHO WROTE THAT DATE FEBRUARY 19, 2008, IS THAT
18 YOUR WRITING?

19 A. IT LOOKS LIKE MY WRITING.

20 Q. NOW THERE APPEARS TO BE TWO SIGNATURES HERE?

21 A. YES.

22 Q. ON THE DOCUMENT?

23 A. YES.

24 Q. COULD YOU EXPLAIN WHY THERE'S TWO SIGNATURES
25 ON THIS DOCUMENT?

1 A. I REMEMBER WE REQUEST TO WITHDRAW ALL THE
2 MONEY.

3 Q. FROM WHOM?

4 A. FROM ALBERT HU FOR MY SISTER'S FIRESIDE FUND
5 AND MY AQC FUND. ALBERT TOLD US WE NEED TO FILL
6 OUT THIS STANDARD FORM. THEN WE MET IN TAIPEI IN
7 THE FAR EASTERN PLAZA HOTEL AGAIN. HE HAND
8 DELIVERED THE FORM TO ME. BUT AT THAT POINT IT
9 DAWNED ON ME I WANT --

10 Q. WHAT DO YOU MEAN DOUBLE CHECK?

11 A. IT'S JUST A BAD FEELING WITH THE WHOLE
12 PROCESS. IT DIDN'T GO AS SMOOTHLY AS WE
13 EXPERIENCED WITH OTHER FUND.

14 SO IT JUST DAWNED ON ME OR I ASKED HIM TO
15 SIGN AND FIND ME. SO THERE'S DOUBLE SIGNATURE FOR
16 ALBERT HU AS WELL AS FOR ME, NAI FEN DOONG.

17 Q. SO LOOKING UP AT THE SCREEN HERE?

18 A. IT'S JUST I WANT TO MAKE SURE THAT'S ALBERT
19 HU'S SIGNATURE.

20 Q. SO YOU ARE TELLING US THE SIGNATURE ON THE
21 LEFT-HAND SIDE OF THE PAGE ABOVE MR. HU, WAS THIS
22 SIGNATURE ALREADY ON THE PAGE WHEN YOU ARRIVED?

23 A. WHEN WE ADMIT, YES, YES.

24 Q. AND THIS SIGNATURE WAS HERE SIGNED BY HIM?

25 A. IN FRONT OF ME.

1 Q. AT THE HOTEL?

2 A. YES.

3 Q. HOW ABOUT THIS SIGNATURE HERE WAS THAT ALREADY
4 ON THE DOCUMENT?

5 A. IT'S ALREADY ON THE DOCUMENT.

6 Q. BUT THIS YOU SIGNED IN FRONT OF HIM?

7 A. YES.

8 Q. AT THAT SAME TIME?

9 A. YES.

10 Q. NOW HOW ABOUT MR. POLLACE, WAS HE THERE TOO?

11 A. NO, I HAVE NEVER MET HIM.

12 Q. NOW, MS. BURNEY, IF YOU COULD SHOW THE OTHER
13 DOCUMENT ON THE SCREEN AS WELL.

14 BEFORE WE GET TO THIS NEXT DOCUMENT YOU
15 MENTIONED A MOMENT AGO SOMETHING ALONG THE LINES OF
16 A BAD FEELING. WHAT ARE YOU TALKING ABOUT THERE, A
17 BAD FEELING?

18 A. THE ONE REASON WE WANT TO WITHDRAW ALL THE
19 FUND IS BECAUSE WE HEARD --

20 MR. FONG: OBJECTION. HEARSAY.

21 THE COURT: IT'S NOT OFFERED FOR THE
22 TRUTH, IT'S OFFERED TO EXPLAIN WHY SHE ASKED FOR A
23 WITHDRAWAL. SO IT CAN BE CONSIDERED FOR THAT
24 PURPOSE ONLY.

25 MR. LUCEY: THANK YOU, YOUR HONOR.

1 THE COURT: OKAY.

2 THE WITNESS: THE REASON WE WANT TO
3 WITHDRAW THE FUND BECAUSE WE HEARD OTHER INVESTORS,
4 ONE INVESTOR WE KNOW OF, HE HAS TROUBLE TO GET
5 MONEY BACK IN THE SHORT PERIOD OF TIME.

6 THEREFORE WE DECIDED WE ARE GOING TO TAKE
7 ALL THE MONEY OUT. AND ADVISE MY SISTER, OF
8 COURSE, ACCORDINGLY TO DO THE SAME.
9 BY MR. LUCEY:

10 Q. SO NOW LOOKING AT EXHIBIT 1042, SORRY,
11 EXHIBIT 63, PAGE 1042-A.

12 THERE APPEARS TO BE ONLY ONE SET OF
13 DOUBLE SIGNATURES HERE, RIGHT

14 A. BECAUSE THIS IS YU-MEI DOONG'S FUND. SO I
15 JUST ASK HIM TO SIGN FOR THE REASON THAT HE IS
16 RESPONSIBLE FOR THE SIGNATURE OF OUR WITHDRAWAL
17 FORM.

18 I DON'T REALLY CONCERN ABOUT OUR PART OF
19 SIGNATURE I'M MORE CONCERNED OF HIS PART OF
20 SIGNATURE.

21 Q. AND WHICH ONE OF THESE TWO SIGNATURES HERE
22 NEAR TO MR. HU'S NAME WAS THE ONE HE SIGNED IN
23 FRONT OF YOU?

24 A. ON THE RIGHT-HAND SIDE.

25 Q. THIS ONE HERE ON THE RIGHT-HAND SIDE?

1 A. YES, ON MY RIGHT-HAND SIDE, YES.

2 Q. AND AGAIN, IT APPEARS TO BE ANOTHER SIGNATURE
3 AT THE BOTTOM?

4 A. YES.

5 Q. WHOSE SIGNATURE DO YOU RECOGNIZE THAT TO BE?

6 A. ANTHONY POLLACE.

7 Q. WAS HE PRESENT FOR THIS MEETING?

8 A. NO. IT WAS THE SAME MEETING.

9 Q. OKAY. SO THESE TWO DOCUMENTS WE LOOKED AT, 41
10 AND 42 OF EXHIBIT 63, THEY WERE BOTH SIGNED BY
11 MR. HU AT THE SAME TIME?

12 A. YES.

13 Q. IN FRONT OF YOU?

14 A. YES.

15 Q. NOW WE LOOKED AT THOSE SERIES OF STATEMENTS
16 FOR AQC AND FOR FIRESIDE FUND IN 2008?

17 A. YES.

18 Q. NOW, MAYBE I MISSED IT BUT I DIDN'T SEE ANY
19 REFERENCE ON THOSE TO ANY MONEY BEING WITHDRAWN OR
20 REIMBURSED TO YOU?

21 A. NO.

22 Q. THEY GO ALL THE WAY UP THROUGH JUNE, 08?

23 A. CORRECT. WE DIDN'T GET ANY BACK, ANY MONEY
24 BACK.

25 Q. IN FEBRUARY 2008?

1 A. UNTIL NOW.

2 Q. MARCH, 08?

3 A. NO.

4 Q. APRIL, MAY, JUNE?

5 A. NO.

6 THE COURT: SHE SAID SHE DIDN'T GET ANY
7 MONEY TO TODAY.

8 THE WITNESS: TO TODAY.

9 Q. NOW GOING ON FROM MR., MS. DOONG, AFTER
10 FEBRUARY '08, DID YOU EVER REACH OUT AND TRY TO
11 TALK TO MR. HU ABOUT GETTING YOUR MONEY BACK?

12 A. YES, I CALL HIM PRACTICALLY EVERY DAY
13 DESPERATELY.

14 Q. EVERY DAY AFTER THIS DAY FEBRUARY 19TH. AND
15 HOW DID MR. HU RESPOND, DO YOU RECALL?

16 A. HE KEPT GIVING US THE REASON, AT FIRST THE
17 REASON I REMEMBER, HE HAS TO MOVE THE FUND TO
18 SOMEWHERE ELSE, SO HE HAS TO DO ALL THE ARRANGEMENT
19 AND IT TAKES TIME.

20 AND THEN THE OTHER REASON I REMEMBER HE
21 TOLD US HE CANNOT ISSUE THE MONEY OUT TO INDIVIDUAL
22 BECAUSE WE EVEN THOUGHT ABOUT IF THERE ANY WAY WE
23 CAN GO THROUGH A COMPANY OR THIS, IT JUST, AND WHEN
24 HE TALK ABOUT HE WANT TO MAKE ARRANGEMENT IN
25 SINGAPORE, I VOLUNTEER I WILL GO AND WORK OUT WITH

1 HIM, IT'S ALL BEING TURNED DOWN. BUT CONSISTENTLY,
2 HE PROMISED US HE WILL GIVE US THE MONEY BACK.

3 Q. NOW, DID YOU EVER HAVE ANY SORT OF CONFERENCE
4 CALL WITH MR. HU ABOUT THIS?

5 A. YES.

6 Q. WHEN DID THAT CONFERENCE CALL TAKE PLACE?

7 A. MY LAST ENCOUNTER WITH ALBERT HU WAS IN
8 SEPTEMBER 5TH OF YEAR 2008.

9 Q. WHAT HAPPENED ON THAT OCCASION?

10 A. HIS ASSISTANT SET UP WEBEX, A CONFERENCE CALL
11 WITH THE TV SCREEN TO SHOW A PRESENTATION.

12 Q. IS THAT A VIDEO CONFERENCE CALL?

13 A. YES.

14 Q. AND DID THAT TAKE PLACE THAT WEBEX CALL?

15 A. YES.

16 Q. AND WHAT HAPPENED DURING THE COURSE OF THAT
17 CALL?

18 A. I WAS IN TAIWAN MY HUSBAND WAS TRAVELLING
19 ABROAD. AND ALBERT HU, I DON'T KNOW HE PROBABLY
20 WAS IN HONG KONG AT THAT TIME. THEN HIS ASSISTANT
21 FRANK LIANG, FOUR OF US HAD A CONFERENCE CALL.

22 Q. WHAT WAS DISCUSSED AT THAT CONFERENCE CALL?

23 A. WHAT WE WANTED TO DISCUSS IS WHEN IS HOW HE
24 CAN PAY US THE MONEY BACK BUT HE GAVE US ANOTHER
25 FINANCIAL STATEMENT OF HOW HEALTHY THE AQC FUND AND

1 ASENQUA BETA FUND WAS.

2 Q. AS OF THAT TIME SEPTEMBER 2008?

3 A. YES.

4 Q. WAS IT GIVEN TO YOU IN PAPER FORM?

5 A. NO IT WAS SHOWN ON THE SCREEN. WE DID REQUEST
6 REQUEST IS IT IN PRINT BUT WE HAVE NEVER SEEN IT.

7 Q. IF YOU COULD ASK MS. BURNEY TO ASSIST US HERE
8 IN PUTTING UP ON THE SCREEN ANOTHER PART OF
9 EXHIBIT 63, IN PARTICULAR BATES NUMBER 1034.

10 AND MS. DOONG THIS DOCUMENT IS SOMEWHAT
11 DARK. DO YOU RECOGNIZE THIS DOCUMENT?

12 A. YES.

13 Q. WHAT IS IT?

14 A. IT WAS THE PHOTOCOPY OF A PICTURE I TOOK ON
15 THE COMPUTER SCENE WHEN WE HAD THAT VIDEO
16 CONFERENCE.

17 Q. SO LET ME UNDERSTAND WHAT YOU ARE TELLING US.
18 YOU ARE TELLING US YOU TOOK A PICTURE OF THE
19 SCREEN?

20 A. YES.

21 Q. WHY DID YOU DO THAT?

22 A. I THINK SINCE WE HAD SOME DIFFICULTY IN
23 GETTING THE MONEY BACK, I WAS EXTREMELY NERVOUS AND
24 I THOUGHT I WANTED TO MAKE A RECORD OF WHATEVER
25 ALBERT HU SHOWED TO US.

1 AND AT THAT MOMENT, I WAS NOT SURE THAT I
2 CAN GET THAT PRINT FROM THEM, I MEAN ALBERT HU AND
3 FRANK LIANG THOUGH WE WOULD REQUEST.

4 SO JUST AS A PRECAUTION I USED A CAMERA
5 TO TAKE THE SCREEN DOWN.

6 Q. AND MS. DOONG, WHAT DID YOU RECOGNIZE, WHAT DO
7 YOU UNDERSTAND THIS TO SAY, THIS LINE RIGHT HERE TO
8 SAY?

9 MR. FONG: OBJECTION, YOUR HONOR.
10 FOUNDATION. I THINK THAT'S ILLEGIBLE.

11 MS. DOONG CAN CERTAINLY TESTIFY AS TO HER
12 WHAT SHE HEARD OR WHAT SHE SAW. BUT IN TERMS OF,
13 AT LEAST MY COPY IS ALMOST TOTALLY ILLEGIBLE.

14 THE COURT: SHE CAN CERTAINLY TESTIFY AS
15 TO WHAT SHE HEARD OR SAW.

16 MR. LUCEY: AND MS. DOONG, IF YOU WANT TO
17 REFER TO THE PAPER COPY IN FRONT OF YOU?

18 THE COURT: THAT'S FINE.

19 THE WITNESS: PAGE 1034?

20 MR. LUCEY: YES.

21 THE WITNESS: OKAY.

22 BY MR. LUCEY:

23 Q. I'M LOOKING NOW AT THE, THERE'S A SERIES OF
24 LINES OF TEXT. AND I'M ASKING, WHAT DO YOU
25 UNDERSTAND BASED ON YOUR REVIEW OF THIS DOCUMENT,

1 THE PICTURE YOU TOOK OF THE SCREEN, WHAT DOES THIS
2 LINE SAY HERE?

3 MR. FONG: SAME OBJECTION, YOUR HONOR.

4 THE COURT: I WILL ALLOW HER TO TESTIFY.
5 IF SHE CAN OR CAN'T READ IT, TELL US.

6 THE WITNESS: I CAN READ IT.

7 THE COURT: OKAY.

8 THE WITNESS: THE NET CURRENT ASSET IS
9 OVER 29,000 AND NET ASSET VALUE IS OVER
10 \$239 MILLION.

11 BY MR. LUCEY:

12 Q. AND DID YOU HAVE ANY DISCUSSION DURING THIS
13 WEBEX CALL REGARDING NET ASSET VALUE IN THE FUND
14 WITH ALBERT HU?

15 A. YES, I THINK THAT'S WHAT HE WANTED TO TELL US
16 THERE'S PLENTY MONEY IN THE FUND YOU DO NOT HAVE TO
17 WORRY ABOUT IT.

18 THE COURT: LET'S TAKE A MORNING RECESS
19 FOR 15 MINUTES.

20 MR. LUCEY: CERTAINLY, YOUR HONOR.

21 THANK YOU.

22 (WHEREUPON A RECESS WAS TAKEN.)

23 THE COURT: ALL RIGHT. YOU MAY CONTINUE.

24 MR. LUCEY: THANK YOU, YOUR HONOR.

25 Q. MS. DOONG, PICKING UP WHERE WE LEFT OFF.

1 DURING THE COURSE OF THIS WEBEX CALL YOU HAD WITH
2 ALBERT HU AMONG OTHERS IN SEPTEMBER 5TH, 2008, YOU
3 TOLD US, DID YOU UNDERSTAND THAT THERE WAS STILL
4 YOUR SISTER'S MONEY AND YOUR MONEY WAS STILL HELD
5 IN TRUST BY MR. HU FOR YOU?

6 A. IT'S WHAT MR. HU SAID.

7 Q. YOU UNDERSTOOD YOUR MONEY WAS STILL THERE?

8 A. YES.

9 Q. DID HE EVER TELL YOU DURING THAT CALL AT ANY
10 POINT THAT THE MONEY HAD ALREADY DISSIPATED OR WAS
11 GONE?

12 A. NEVER. HE KEPT RAISING FUND.

13 Q. HE KEPT RAISING THE FUND?

14 A. YES, DURING THAT PERIOD.

15 Q. I'M JUST GOING TO APPROACH TO HELP WITH THE
16 MICROPHONE HERE.

17 MS. BURNEY, IF YOU COULD NOW SHOW UP ON
18 THE VIDEO SCREEN BEGINNING AT BATES 1045, I BELIEVE
19 IT'S PAGE NUMBER 55 OF EXHIBIT 63. AND IF YOU
20 COULD ALSO SHOW THE SECOND PAGE AS WELL, PAGE 1046.
21 55 AND 56, I BELIEVE. IT SHOULD BE BATES NUMBERS
22 1045 AND 1046.

23 SO MS. DOONG, DO YOU SEE THAT DOCUMENT
24 THERE IN FRONT OF YOU WHERE AT THE TOP IT SAYS
25 ALBERT HU'S VERSION?

1 A. YES.

2 Q. THIS DOCUMENT APPEARS TO BE IN A FOREIGN
3 LANGUAGE?

4 A. IN CHINESE, YES.

5 Q. FOR THE MOST PART. SO WITHOUT GETTING INTO
6 THE TEXT OF THE FOREIGN LANGUAGE, WHAT GENERALLY IS
7 THIS DOCUMENT?

8 A. THIS DOCUMENT IS A PROMISE NOTE TO PAY BACK
9 MONEY.

10 Q. AND HOW DID YOU COME TO HAVE THIS DOCUMENT?

11 A. IT WAS AT THE END -- IT WAS DURING THAT WEBEX
12 MEETING WE HAD BACK IN SEPTEMBER 2008. HE WAS
13 EAGER TO SHOW US THERE ARE PLENTY OF MONEY. AND WE
14 WANTED HIM TO TELL US HOW ARE YOU GOING TO PAY BACK
15 OUR MONEY.

16 AND DURING THAT SESSION, WE REACH A
17 CONCLUSION, HE'S GOING TO WRITE US A PROMISE NOTE
18 TO PAY BACK. AND THIS WAS -- THIS WAS WHAT CAME
19 OUT FROM THAT MEETING.

20 Q. OKAY.

21 A. I BELIEVE I RECEIVED THAT SEVERAL DAYS RIGHT
22 AFTER THE MEETING.

23 Q. AND THIS IS THE SEPTEMBER, '08 MEETING?

24 A. SEPTEMBER, '05.

25 Q. OKAY. SEPTEMBER OF 2008, THOUGH?

1 A. YES, 2008, SORRY. SEPTEMBER 5TH OF 2008.

2 Q. UNDERSTOOD.

3 SO NOW SOMEBODY IF YOU COULD SHOW BATES
4 1047 AND 1048, THE NEXT TWO PAGES.

5 SO MS. DOONG, WHAT ARE WE LOOKING AT HERE
6 ON THESE TWO PAGES?

7 A. THIS IS MY REVISION FOR THE PROMISE NOTE,
8 BECAUSE THERE WERE POINTS WE DISCUSSED ON THE WEBEX
9 WAS NOT CAPTURED. SO I MADE A FEW MODIFICATIONS
10 THERE AND SEND IT BACK AND REQUEST ALBERT HU TO
11 SIGN BACK.

12 Q. SO ARE YOU TELLING US THERE'S CHANGES FROM THE
13 DOCUMENT WE JUST LOOKED AT A MOMENT AGO?

14 A. YES.

15 Q. AND THERE APPEARS TO BE NOW SOME ADDITIONAL
16 WORDS OF ENGLISH SCATTERED THROUGHOUT THE TEXT OF
17 THE DOCUMENT; IS THAT FAIR TO SAY?

18 A. YES.

19 Q. WHO INSERTED THOSE ENGLISH WORDS INTO THE
20 DOCUMENT?

21 A. I DID.

22 Q. AND AT THE VERY TOP OF THE DOCUMENT,
23 MS. BURNEY, IF YOU COULD ENLARGE THE TOP HALF OF
24 THE DOCUMENT ON THE LEFT-HAND SIDE. AND ACTUALLY,
25 IF YOU COULD PLEASE GO DOWN TO THROUGH NUMBER ONE.

1 SO THERE'S A REFERENCE THERE TO AQC FUND;
2 IS THAT CORRECT?

3 A. THAT'S CORRECT.

4 Q. AND IS THAT IN CONNECTION WITH YOUR
5 INVESTMENT?

6 A. MY OWN INVESTMENT.

7 Q. AND THERE'S SOME NUMBERS THAT APPEAR TO BE
8 INSERTED -- MS. BURNEY, IF YOU COULD ENLARGE THE
9 TEXT AT NUMBER ONE AND NUMBER TWO, THAT PORTION OF
10 THE DOCUMENT.

11 MS. DOONG, DO YOU SEE THE TEXT NUMBERS
12 HERE OF 368,027, WHAT IS THAT IN REFERENCE TO?

13 A. THAT WAS AT THE TIME MY ACCOUNT BALANCE OF THE
14 AQC FUND.

15 Q. AND IS THAT, JUST SO WE ARE CLEAR ABOUT
16 CONVENTION HERE, THAT'S THE 2-17-08 THAT'S THE
17 DATE?

18 A. WHY IS.

19 Q. THERE'S A SERIES OF NUMBERS. THERE'S 2008,
20 SCATTERED AMONG THE CHINESE CHARACTERS, WHAT'S THAT
21 IN REFERENCE TO?

22 A. THAT WAS THE QUARTERLY END OF 2008.

23 Q. FOR THE AQC FUND?

24 A. FOR THE AQC FUND.

25 Q. AND WHAT IS THE 368,027.47 REPRESENT?

1 A. IT REPRESENTS THE ACCOUNT BALANCE AT THAT
2 MOMENT.

3 Q. THEN PARAGRAPH TWO HAS 208,217. THEN BELOW
4 THAT IN THE SAME PARAGRAPH SCATTERED AMONG THE
5 CHINESE CHARACTERS 368,027.47 IN PARAGRAPH TWO?

6 A. SORRY, WHERE?

7 Q. I WILL SHOW YOU HERE ON THE SCREEN.

8 SO THERE'S A REFERENCE HERE IN PARAGRAPH
9 2 -- 2008, 217. THEN THE NUMBERS HERE 368,027.47

10 A. YES.

11 Q. CAN YOU SPEAK TO WHAT THAT IS IN REFERENCE TO
12 IN TERMS OF THE CHANGES YOU ARE MAKING TO THE
13 DOCUMENT?

14 A. THAT JUST REFERRED -- MAY I -- THE FIRST
15 PARAGRAPH MEANS HE PROMISED ME THAT THE \$368,000.
16 AND THE SECOND PARAGRAPH MEANS HE PROMISED TO PAY
17 ME THAT AMOUNT OF MONEY.

18 Q. OKAY. NOW IF WE COULD TURN TO 1049 AND 1050.

19 AND MS. DOONG, WHAT ARE THESE TWO PAGES
20 NOW WE ARE LOOKING AT?

21 A. THOSE ARE THE PROMISE NOTE I REVISED, YU-MEI
22 DOONG'S ASENQUA BETA FUND.

23 Q. OKAY. WHAT DID YOU DO WITH THE DOCUMENTS,
24 WHAT DID YOU DO TO THEM, DID YOU SEND THEM TO
25 ANYONE?

1 A. I MAILED IT TO ALBERT HU AND HIS ASSISTANT AT
2 THAT MOMENT, FRANK LIANG.

3 Q. DID YOU EVER RECEIVE ANY VERSIONS OF THIS
4 DOCUMENT BACK FROM ALBERT HU?

5 A. NO, MR. HU JUST DISAPPEARED AND VANISHED,
6 UNREACHABLE AFTERWARDS.

7 Q. SO WHEN WAS THE LAST TIME YOU HAD CONTACT TO
8 MR. HU PRIOR TO COMING TO COURT YESTERDAY EITHER IN
9 VIDEO FORM OR IN LIVE FORM?

10 A. NONE.

11 Q. NONE? SO DID YOU EVER RECEIVE ANY MONEYS BACK
12 IN CONNECTION WITH YOUR SISTER'S INVESTMENT IN THE
13 FIRESIDE FUND WHICH ORIGINALLY HAD BEEN THE ASENQUA
14 BETA FUND?

15 A. I NEVER RECEIVED ANY MONEY.

16 Q. AND HOW MUCH WAS THE TOTAL AMOUNT OF MONEY
17 THAT SHE HAD INVESTED IN THE -- YOU INVESTED WITH
18 HER OR ON HER BEHALF IN WHAT WAS ULTIMATELY THE
19 FIRESIDE LS FUND?

20 A. MY YOUNGER SISTER HAD INVESTED TOTAL,
21 \$830,000.

22 Q. WHAT ABOUT YOURSELF?

23 A. 300,000.

24 Q. HOW MUCH IN THE AQC FUND?

25 A. 300,000.

1 Q. SO IF I'M DOING MY MATH CORRECT THAT'S OVER A
2 MILLION DOLLARS OF YOU AND YOUR SISTER?

3 A. CORRECT.

4 Q. MS. DOONG, DID YOU EVER HAVE OCCASION TO MEET
5 ANY OTHER INVESTORS AND COMPARE ACCOUNT STATEMENTS
6 WITH EACH OTHER?

7 A. ONCE, YES.

8 Q. AND WHEN DID THAT OCCUR, APPROXIMATELY?

9 A. I DON'T REMEMBER THE EXACT MONTHS OR DATE BUT
10 IT HAPPENED AFTER SEPTEMBER 8TH PROBABLY WHEN WE
11 COULDN'T REACH ALBERT HU.

12 Q. SOME TIME AFTER THE WEBEX CALL?

13 A. YES, I BELIEVE SO.

14 Q. AND WHAT INVESTOR DID YOU HAVE THE OPPORTUNITY
15 TO MEET WITH AND COMPARE ACCOUNT STATEMENTS?

16 A. I MET -- I DIDN'T COMPARE ALL THE ACCOUNT
17 STATEMENTS BUT I MET JOE YEN, ANDY YAN, CHEN WU-FUE
18 IN TAIWAN.

19 Q. AND IN TERMS OF MR. YAN, DID YOU HAVE AN
20 OPPORTUNITY TO REVIEW AND COMPARE ACCOUNT
21 STATEMENTS WITH MR. YAN?

22 A. YES.

23 Q. AND --

24 A. HE BROUGHT HIS STATEMENT AND I HAD A CHANCE TO
25 TAKE A LOOK.

1 Q. DID YOU REVIEW THEM?

2 A. YES.

3 Q. AFTER REVIEWING THE DOCUMENTS THAT MR. YAN HAD
4 SHOWED YOU ON THAT OCCASION, WHAT IMPRESSION DID
5 YOU COME AWAY WITH AFTER REVIEWING THOSE
6 STATEMENTS?

7 A. RIGHT ON THE SPOT I RAISED THE QUESTION THAT
8 WHEN WE COMPARE NOTES TO EACH OTHER, HIS RETURN,
9 IT'S SLIGHTLY HIGHER THAN YU-MEI DOONG'S FIRESIDE
10 FUND.

11 Q. AND WHAT FUND WAS MR. YAN IN, DO YOU KNOW?

12 A. I THOUGHT IT WAS EITHER FIRESIDE FUND OR
13 ASENQUA FUND.

14 Q. OKAY.

15 A. WE THOUGHT WE ARE COMPARING THE FUND OR AT
16 LEAST THE SIMILAR FUNDS.

17 A. WE DIDN'T TALK ABOUT THE --

18 MR. FONG: OBJECTION. HEARSAY.

19 MR. LUCEY: NO QUESTION PENDING AT THIS
20 POINT.

21 THE WITNESS: SORRY.

22 BY MR. LUCEY:

23 Q. JUST A MOMENT, MS. DOONG, I HAVE A FEW MORE
24 QUESTIONS TO ASK YOU.

25 SO MS. DOONG, WOULD YOU HAVE INVESTED

1 YOUR MONEY IF YOU KNEW THE AUDITED FINANCIAL REPORT
2 WE LOOKED AT EARLIER TODAY FROM THE CASTILLO, LYN,
3 COHEN & VIJAY FIRM WAS NOT IN FACT A TRUE AND
4 ACCURATE REPORT WHEN YOU RECEIVED IT?

5 A. ABSOLUTELY, NO.

6 Q. WHY NOT?

7 A. YOU WILL NOT DEFINITELY INVEST IT INTO A FUND
8 WHICH DIDN'T GIVE YOU THE CORRECT INFORMATION. AND
9 IF THEY HAVE TO FORGE THAT DATA --

10 MR. FONG: OBJECTION. MOVE TO STRIKE.

11 THE WITNESS: THAT'S UNDER ASSUMPTION, I
12 WAS ASKED --

13 MR. LUCEY: HOLD ON.

14 THE COURT: WAIT A MINUTE. WHAT'S YOUR
15 OBJECTION?

16 MR. FONG: MOVE TO STRIKE. SPECULATION.

17 MR. LUCEY: WELL, THE QUESTION IS, IT'S
18 ASKING WOULD SHE HAVE INVESTED IF SHE HAD KNOWN.

19 THE COURT: AND SHE SAID NO SHE WOULDN'T
20 HAVE BECAUSE.

21 MR. LUCEY: THEN SHE SAID NO, THEN SHE
22 WAS GIVING HER EXPLANATION AS TO WHY.

23 THE COURT: I WILL -- GO AHEAD.

24 THE WITNESS: BASED ON YOUR REASON
25 ACTUALLY, NO.

1 IF YOU ASK WHY THEN THAT WAS YOUR
2 QUESTION ALREADY TELL ME THAT ASSUMPTION.

3 MR. LUCEY: I WOULD LIKE TO HAVE HER
4 COMPLETE HER ANSWER.

5 THE COURT: YOU CAN EXPLAIN YOU WOULDN'T
6 HAVE INVESTED.

7 THE WITNESS: I INVESTED BECAUSE I THINK
8 IT'S A PROFITABLE MONEY. I THINK IT'S THE FUND IS
9 MANAGED WITH PROFESSIONALISM AND HONESTY.

10 IF THE REPORT OR ANY DATA IS NOT TRUE, I
11 DEFINITELY WOULD NOT INVEST IN IT. I WOULD NOT
12 EVEN BRING UP THIS FUND TO MY SISTER. IT WASN'T
13 THE CORRECT MINDSET.

14 BY MR. LUCEY:

15 Q. NOW AT THE POINT YOU RECEIVED THESE CASTILLO,
16 LYN STATEMENTS, THERE HAD ALREADY BEEN MONEY
17 INVESTED CORRECT IN REGARD TO YOUR SISTER?

18 A. YES.

19 Q. SHE HAD ALREADY MADE HER INITIAL INVESTMENT,
20 THAT'S WHAT YOU TESTIFIED TO?

21 A. YES.

22 Q. IF YOU HAD KNOWN AT THAT TIME THAT THE
23 CASTILLO LYN STATEMENTS WERE NOT IN FACT A TRUE AND
24 ACCURATE REPRESENTATION OF THE STATUS OF THE
25 ASENQUA BETA FUND, WOULD YOU HAVE ADVISED YOUR

1 SISTER TO MAKE FURTHER INVESTMENTS?

2 MR. FONG: OBJECTION. FOUNDATION,
3 SPECULATION.

4 THE WITNESS: ABSOLUTELY NO.

5 THE COURT: I WILL ALLOW THE QUESTION.
6 BY MR. LUCEY:

7 Q. WOULD YOU ADVISE YOUR SISTER TO DO ANYTHING IN
8 REGARD TO HER THEN CURRENT INVESTMENT IN THE
9 ASENQUA BETA FUND WOULD YOU HAVE LEFT IT THERE?

10 A. ABSOLUTELY I WOULD NOT ADVISE HER TO PUT IN
11 MORE MONEY AND WE WILL TRY TO PULL ALL THE MONEY
12 BACK.

13 Q. NOW, MS. DOONG, WOULD YOU HAVE INVESTED YOUR
14 MONEY YOU AND YOUR SISTER IN THE TWO FUNDS WE
15 DISCUSSED THE ASENQUA BETA FUND THAT BECAME
16 FIRESIDE AND AQC IF YOU HAD KNOWN YOU WOULD BE
17 PROVIDED WITH A QUARTERLY STATEMENTS THAT WERE NOT
18 TRUE AND ACCURATE?

19 A. ABSOLUTELY NO.

20 Q. WHY NOT?

21 A. I FELT THAT IF I ANSWER YOUR PREVIOUS
22 QUESTION, IF I KNOW THE OTHER REPORT WASN'T TRUE, I
23 WOULD ADVISE -- I WOULD REQUEST, I WOULD REQUEST MY
24 SISTER TO PULL OUT THE MONEY ALREADY, THEN NOW
25 UNDER THE ASSUMPTION IF ALL THE STATEMENT WERE NOT

1 TRUE, I WOULD NOT PUT IN ANY DIME, MINE OR MY
2 SISTER OR ANY PEOPLE I KNOW TO PUT INTO THIS FUND.

3 Q. AND MS. DOONG, IF YOU HAD KNOWN THAT ALL THOSE
4 QUARTERLY STATEMENTS WE LOOKED AT YESTERDAY AND
5 TODAY THAT HAD THE TWO SIGNATURES ON THEM,
6 MR. POLLACE AND MR. HU, DO YOU RECALL THOSE?

7 A. YES.

8 Q. IF YOU HAD KNOWN AT ANY POINT IN THAT PROCESS
9 THAT MR. POLLACE HAD NOT IN FACT SIGNED THOSE
10 DOCUMENTS HIMSELF, WOULD THAT HAVE CAUSED YOU TO
11 ACT DIFFERENTLY?

12 A. OF COURSE.

13 Q. WHY?

14 A. EVERY DOCUMENT NEED TO BE TRUE. AND IF
15 ANYTHING ON THE FUND THAT WASN'T TRUE, TO ME I
16 SHOULDN'T MAKE ANY INVESTMENT IN THOSE FUNDS.

17 Q. AND MS. DOONG, IF YOU HAD KNOWN AT ANY POINT
18 EITHER BEFORE YOU INVESTED OR THERE AFTER WITH
19 MR. HU THAT THE REFERENCE TO THE PROSKAUER ROSE
20 FIRM IN THE SUBSCRIPTION BOOK WE LOOKED AT TODAY
21 FOR FIRESIDE HAD NOT IN FACT BEEN RETAINED BY THAT
22 FUND, THE FIRESIDE FUND, WOULD YOU HAVE STILL HAVE
23 INVESTED IN THAT FUND?

24 A. NO, ABSOLUTELY, NO.

25 Q. AND MS. DOONG, IF FOR THE INVESTMENTS THAT

1 YOUR SISTER MADE IN THE ASENQUA BETA FUND THAT
2 BECAME FIRESIDE AND YOUR OWN INVESTMENT IN AQC, IF
3 YOU HAD KNOWN AT ANY POINT EITHER PRIOR TO THE
4 START OF INVESTING OR THERE AFTER THAT THE MONEY
5 WAS NOT BEING INVESTED AS IT HAD BEEN PROMISED TO
6 YOU BUT WAS ACTUALLY BEING SPENT ON OTHER PURPOSES
7 BY MR. HU, WOULD YOU HAVE STILL INVESTED?

8 A. ABSOLUTELY NO.

9 Q. WHY NOT?

10 A. AS I SAID, IF THE INVESTMENT WASN'T DONE AS
11 IT'S SUPPOSED TO BE HANDLED, IT WOULD BE STUPID TO
12 PUT IN ANY OF MY MONEY OR OTHER'S MONEY.

13 MR. LUCEY: JUST A MOMENT, YOUR HONOR.

14 THE COURT: OKAY.

15 MR. LUCEY: NO FURTHER QUESTIONS,

16 YOUR HONOR.

17 THE COURT: ALL RIGHT.

18 MR. FONG?

19 MR. FONG: THANK YOU, YOUR HONOR.

20

21 **CROSS-EXAMINATION BY MR. FONG**

22

23 BY MR. FONG:

24 Q. GOOD MORNING, MS. DOONG.

25 A. GOOD MORNING.

1 Q. MY NAME IS JERRY FONG AND I'M THE ATTORNEY FOR
2 ALBERT HU?

3 A. I WOULD LIKE TO ASK YOU SOME FOLLOW UP
4 QUESTIONS. FIRST OF ALL, YOU HAVE A, AN MBA DEGREE
5 FROM NEW YORK UNIVERSITY; IS THAT CORRECT?

6 A. THAT'S CORRECT.

7 Q. AND JUST SO THAT WE ARE ALL CLEAR, AN MBA
8 DEGREE STANDS FOR MASTER OF BUSINESS
9 ADMINISTRATION; IS THAT CORRECT?

10 A. THAT'S CORRECT.

11 Q. AND IN YOUR CAREER, EVEN THOUGH OF COURSE YOU
12 ALSO HOLD A PHD IN, I BELIEVE, AGRICULTURAL
13 CHEMISTRY AS WELL, RIGHT?

14 A. YES.

15 Q. OKAY. AND IN YOUR PROFESSION, YOU HAVE HAD
16 THE OPPORTUNITY TO USE BOTH OF THOSE DEGREES IN
17 YOUR JOBS, RIGHT?

18 A. CORRECT.

19 Q. INCLUDING, SORT OF, IF YOU WILL THE BUSINESS
20 OR FINANCIAL SIDE OF THE COMPANIES THAT YOU ARE
21 WORKING FOR; IS THAT CORRECT?

22 A. THAT'S NOT CORRECT. IT'S ON THE MANAGEMENT
23 SIDE, NOT ON THE FINANCE SECTION.

24 Q. OKAY. THE MANAGEMENT SIDE.

25 A. YES, OPERATION SIDE.

1 Q. OPERATION SIDE.

2 OKAY, NOW, AND YOU ARE MARRIED, RIGHT

3 A. THAT'S CORRECT.

4 Q. AND YOUR HUSBAND'S NAME IS MICHAEL, AND IF I
5 MISPRONOUNCE IT PLEASE CORRECT ME, CHUANG?

6 A. C-H-U-A-N-G.

7 Q. SO C-H-U-A-N-G?

8 A. THAT'S CORRECT.

9 Q. HOW DO YOU PRONOUNCE THAT LAST NAME?

10 A. CHUANG.

11 Q. CHUANG. OKAY. AND DOES HE GO BY ANY OTHER
12 NAME?

13 A. MEI CHEN CHUANG.

14 Q. AND THAT IS THE -- HIS CHINESE NAME. AND IT
15 SOUNDS A LITTLE BIT LIKE MICHAEL BUT IT'S A -- IT
16 REALLY IS A SLIGHTLY DIFFERENT NAME, RIGHT?

17 A. IT'S A DIFFERENT WORD.

18 Q. I FULLY UNDERSTAND. SO, HOW DO YOU SPELL MEI
19 CHEN CHUANG, THE FIRST TWO WORDS FOR ME?

20 A. MEI CHEN. M-E-I, C-H-E-N.

21 Q. IF I REFER TO YOUR HUSBAND AS MICHAEL CHUANG
22 YOU WOULD KNOW WHO I'M TALKING ABOUT, RIGHT?

23 A. CORRECT.

24 Q. NOW, YOUR HUSBAND WHAT KIND OF EDUCATIONAL
25 BACKGROUND DOES HE HAVE?

1 A. HE HAS A PHD.

2 Q. IN WHAT?

3 A. IN CHEMISTRY.

4 Q. FROM AN AMERICAN UNIVERSITY OR?

5 A. STANFORD.

6 Q. OKAY. AND YOUR HUSBAND AT ONE POINT -- HE
7 WORKED FOR A VENTURE CAPITAL COMPANY IN TAIWAN; IS
8 THAT CORRECT?

9 A. THAT'S CORRECT.

10 Q. OKAY. AND WHAT IS THE NAME OF THAT VENTURE
11 CAPITAL COMPANY THAT YOUR HUSBAND WORKED FOR?

12 A. SORRY, I DON'T REMEMBER.

13 Q. OKAY. DOES -- WAS THE NAME WK TECHNOLOGIES?

14 A. SOUNDS FAMILIAR.

15 Q. I'M SORRY, DOES THAT SOUND FAMILIAR OR NOT?

16 A. IT SOUNDS FAMILIAR.

17 Q. BUT YOU ARE NOT SURE?

18 A. I'M NOT SURE.

19 Q. ALL RIGHT. AND HOW LONG, WHATEVER THE NAME OF
20 THAT VENTURE COMPANY -- VENTURE CAPITAL COMPANY
21 YOUR HUSBAND WORKED FOR, IT MIGHT OR MIGHT NOT BE
22 WK TECHNOLOGIES, HOW LONG DID HE WORK THERE?

23 A. FOR A SHORT PERIOD OF TIME. IT'S A SHORT.

24 Q. DID HE ALSO WORK FOR OTHER VENTURE CAPITAL
25 COMPANIES?

1 A. MOST ARE TAIWAN HIGH-TECH INDUSTRY.

2 Q. ALL RIGHT. SO YOUR HUSBAND'S BUSINESS CAREER
3 HAS BEEN WORKING IN TAIWAN HIGH-TECH INDUSTRY,
4 RIGHT?

5 A. YES.

6 Q. OKAY. AND ON THE BUSINESS SIDE?

7 A. YES, MANAGEMENT SIDE.

8 Q. ALL RIGHT. AND YOUR HUSBAND HAS BEEN INVOLVED
9 WITH VENTURE CAPITAL INVESTMENTS IN HIS CAREER; IS
10 THAT CORRECT?

11 A. HAS BEEN, YES.

12 Q. AND IT WAS THROUGH YOUR HUSBAND THAT YOU MET
13 ALBERT HU; IS THAT CORRECT?

14 A. MORE PRECISELY SPEAKING, I MET ALBERT HU
15 BECAUSE YU-MEI DOONG INVESTED IN THE MONEY. BUT
16 ALBERT HU'S NAME WAS BROUGHT UP TO MY ATTENTION
17 BECAUSE MY HUSBAND MENTIONED THAT ALBERT HU HAS A
18 FUND.

19 Q. I'M SORRY IF I DIDN'T MAKE MYSELF CLEAR. YOU
20 ARE ABSOLUTELY RIGHT. LET ME START OVER.

21 WHEN DID YOU -- HOW DID YOU FIRST HEAR
22 ABOUT THE NAME ALBERT HU?

23 A. WHEN MY HUSBAND TOLD ME THAT THERE'S A FUND
24 CALLED ASENQUA, OR THERE'S A COMPANY CALLED ASENQUA
25 CAPITAL, AND RUN BY ALBERT HU, THAT WAS THE FIRST

1 TIME I HEARD OF ALBERT HU.

2 Q. SO -- I APOLOGIZE I DIDN'T MEAN TO INTERRUPT
3 YOU, I THOUGHT YOU HAD FINISHED YOUR ANSWER, I
4 APOLOGIZE.

5 SO IF I HAVE IT RIGHT YOU FIRST HEARD OR
6 LEARNED ABOUT ALBERT HU AND ASENQUA THROUGH YOUR
7 HUSBAND; IS THAT CORRECT?

8 A. THAT'S CORRECT.

9 Q. AND APPROXIMATELY WHEN WOULD THAT HAVE BEEN?

10 A. PRIOR TO YU-MEI DOONG'S INVESTMENT.

11 Q. ALL RIGHT. AND WOULD THAT HAVE BEEN A YEAR
12 BEFORE THE INVESTMENT OR SIX MONTHS, IF YOU
13 REMEMBER, YOUR BEST RECOLLECTION?

14 A. A BIT EARLY -- NO, I THINK, JUST SHORT, RIGHT
15 BEFORE I MIGHT SAY. NO LESS THAN -- NO MORE THAN A
16 FEW MONTHS.

17 Q. OF COURSE THE FIRST INVESTMENT WAS JULY 2004;
18 IS THAT CORRECT?

19 A. THAT'S CORRECT.

20 Q. SO IT WOULD HAVE BEEN AT THE EARLIEST THAT YOU
21 HAVE HEARD ABOUT ALBERT HU AND OR ASENQUA MAYBE
22 JUNE OR AT THE EARLIEST MAY OF 2004; IS THAT
23 CORRECT?

24 A. IT COULD HAVE BEEN APRIL.

25 Q. ALL RIGHT. IT COULD HAVE BEEN AS FAR BACK AS

1 APRIL BUT IT WOULD HAVE BEEN IN THE EARLY PART OF
2 2004; IS THAT CORRECT?

3 A. YES.

4 Q. ALL RIGHT. NOW, YOUR HUSBAND KNEW ALBERT HU
5 FOR A LITTLE WHILE BEFORE THAT IS THAT TRUE?

6 MR. LUCEY: OBJECTION. CALLS FOR
7 SPECULATION.

8 THE COURT: IF SHE KNOWS.

9 MR. FONG: IF YOU KNOW.

10 THE WITNESS: I THINK SO.

11 BY MR. FONG:

12 Q. OKAY. AND YOUR HUSBAND, YOU KNOW IF YOUR
13 HUSBAND METAL BETTER HU AS FAR BACK AS, SAY, 2001?

14 A. I DON'T KNOW EXACT, I KNEW HE MUST NOT KNOW
15 BEFORE ME.

16 Q. ALL RIGHT. OKAY. BUT DO YOU KNOW THAT YOUR
17 HUSBAND HAD KNOWN MR. HU FOR A COUPLE OF YEARS FOR
18 EXAMPLE, BEFORE HE TOLD YOU ABOUT ALBERT HU AND THE
19 ASENQUA FUND?

20 A. NO, I SHOULDN'T. HE TOLD ME HE KNEW ALBERT HU
21 AND INTRODUCED ME TO THE FUND AND HE DIDN'T TELL ME
22 EXACT OR HOW LONG HE HAS KNOWN ALBERT HU.

23 Q. OKAY. AND DO YOU KNOW WHAT RELATIONSHIP IF
24 ANY YOUR HUSBAND HAD WITH ALBERT HU?

25 A. THEY DISCUSSED SOME INVESTMENT, I GUESS.

1 Q. ALL RIGHT. DO YOU KNOW IF YOUR HUSBAND AT ONE
2 POINT WAS THINKING ABOUT INVESTING IN ONE OF ALBERT
3 HU'S COMPANIES?

4 A. CAN YOU NAME THE COMPANY, THAT MAY RING A
5 BELL.

6 Q. OH, SURE. OKAY. WE WILL GET TO THAT LATER
7 THEN. I DO HAVE IT SOMEWHERE. BUT, OKAY.

8 BUT YOUR HUSBAND -- BUT YOU KNEW YOUR
9 HUSBAND AND MR. HU HAD TALKED ABOUT BUSINESS
10 MATTERS BEFORE YOUR HUSBAND INTRODUCED YOU TO
11 MR. HU, RIGHT

12 A. I DIDN'T KNOW BEFORE, MAYBE AFTER, YES. BUT I
13 DIDN'T KNOW WHAT HAPPENED BETWEEN MY HUSBAND AND
14 ALBERT HU BEFORE HE BROUGHT UP THE OTHER FUND TO MY
15 ATTENTION.

16 Q. AND I GUESS LET ME TRY A BETTER QUESTION THEN.
17 DID YOU LEARN AT SOME POINT THAT YOUR HUSBAND AND
18 ALBERT HU HAD BEEN TALKING ABOUT BUSINESS DEALS AND
19 BUSINESS MATTERS AT A TIME THAT WAS BEFORE HE
20 INTRODUCED YOU TO ALBERT HU?

21 A. NO. I KNEW AFTER BUT NOT BEFORE.

22 Q. RIGHT. I'M JUST TALKING ABOUT -- I UNDERSTAND
23 THAT YOU LEARNED OF THIS INFORMATION AFTER YOUR
24 HUSBAND OBVIOUSLY THE FIRST TIME HE MENTIONED
25 ALBERT HU TO YOU.

1 WHAT I'M ASKING IS DID YOU LEARN AT ANY
2 TIME THAT AT SOME POINT BEFORE YOUR HUSBAND
3 INTRODUCED YOU TO MR. HU, HE AND MR. HU HAD ALREADY
4 BEEN TALKING ABOUT BUSINESS MATTERS?

5 A. NO.

6 Q. OKAY.

7 A. I KNEW HE KNEW BEFORE HE MENTIONED THE FUND TO
8 ME BUT I DON'T KNOW WHAT THEY TALK ABOUT ON THE
9 BUSINESS SIDE.

10 Q. SURE. ALL RIGHT. OKAY. NOW, IN THE
11 INVESTMENTS RELATING TO YOUR SISTER, YU-MEI?

12 A. YU-MEI.

13 Q. IF I SAY MEI, WOULD THAT IDENTIFY HER
14 SUFFICIENTLY. OKAY. THANK YOU, I APPRECIATE IT.
15 I KNOW THAT'S NOT HER FULL NAME BUT I'M TRYING TO
16 MAKE SURE I KEEP TRACK OF WHAT'S GOING ON.

17 OR I COULD REFER TO HER AS YOUR SISTER,
18 DO YOU HAVE MORE THAN ONE SISTER?

19 A. MORE THAN ONE.

20 Q. IN THAT CASE I WILL REFER TO HER AS MEI?

21 A. MY YOUNGER SISTER.

22 Q. AS FAR AS THE INVESTMENTS THAT YOU MADE IN
23 ASENQUA BETA FUND ON BEHALF OF YOUR SISTER, MEI
24 DOONG, YOU WERE ACTING ON YOUR SISTER'S BEHALF; IS
25 THAT CORRECT?

1 A. THAT'S CORRECT.

2 Q. AND YOU WERE DOING THAT BECAUSE AMONG OTHER
3 THINGS YOUR SISTER, MEI, WAS NOT FLUENT IN ENGLISH;
4 IS THAT CORRECT?

5 A. THAT'S CORRECT.

6 Q. AND OF COURSE ALSO BECAUSE YOU HAD -- YOU HAVE
7 AND HAD AN MBA, RIGHT?

8 THE COURT: IS THE QUESTION WHETHER SHE
9 HAD AN MBA, OR OR IS THAT THE REASON --

10 MR. FONG: THE REASON, SORRY.

11 THE WITNESS: NOT BECAUSE I HAVE A REASON
12 OR MBA OR WHAT. I AM THE HIGHEST EDUCATED PERSON
13 IN MY FAMILY. THEY COUNT A LOT ON MY ADVICE,
14 ESPECIALLY IF IT'S SOMETHING DEALING WITH THE
15 ASPECT OUTSIDE OF TAIWAN.

16 Q. OKAY. ALL RIGHT. YOUR SISTER IN THE YEAR
17 2004, WHERE WAS SHE LIVING, YOUR SISTER MEI?

18 A. MEI LIVED IN TAIWAN.

19 Q. HAS SHE ALWAYS LIVED THERE?

20 A. YES.

21 Q. AND SHE STILL LIVES THERE NOW?

22 A. YES.

23 Q. AND OF COURSE AS THE SISTER WHO IS FLUENT IN
24 ENGLISH AND AS WELL AS LIKE YOU SAID THE HIGHEST
25 EDUCATED MEMBER OF YOUR FAMILY, YOU WANT OF COURSE

1 TO MAKE SURE WHATEVER YOU DO FOR YOUR SISTER YOU
2 WOULD LOOK OUT FOR HER INTEREST; IS THAT CORRECT?

3 A. THAT'S CORRECT.

4 Q. AND YOU WANT TO MAKE SURE YOU GOT ALL THE
5 NECESSARY INFORMATION SO THAT SHE COULD MAKE GOOD
6 CHOICES; IS THAT CORRECT?

7 A. AS IF IT WERE MY INVESTMENT.

8 Q. AS IF LIKE YOU SAID AS IF IT WAS YOUR
9 INVESTMENT. SO YOU WANTED TO MAKE SURE YOU PROTECT
10 YOUR SISTER AND GET ALL THE NECESSARY INFORMATION
11 TO MAKE SURE YOU DO AS GOOD OF A JOB PROTECTING HER
12 AS YOU WOULD FOR YOURSELF; IS THAT CORRECT?

13 A. THAT'S CORRECT.

14 Q. NOW, YOU HAVE IN FRONT OF YOU GOVERNMENT
15 EXHIBIT OR PLAINTIFF'S EXHIBIT 63, RIGHT JUDGES?

16 Q. AND NOW, EXHIBIT 63 YOU HAVE IN FRONT OF YOU
17 YOU RECOGNIZE THEM AS DOCUMENTS THAT YOU HAD KEPT
18 FROM YOUR DEALINGS WITH ASENQUA, FIRESIDE AND
19 ALBERT HU; IS THAT CORRECT?

20 A. THAT'S CORRECT.

21 Q. OKAY. AND YOU, IF YOU WILL, YOU KEPT A FILE
22 ON YOUR DEALINGS WITH FIRESIDE, ASENQUA, AQC AND
23 ALBERT HU; IS THAT CORRECT?

24 A. THAT'S CORRECT.

25 Q. OKAY. AND YOU TURNED OVER TO THE GOVERNMENT

1 WHEN THEY ASKED, EVERYTHING THAT YOU HAD, RIGHT?

2 A. YES.

3 Q. OKAY. AND OF COURSE YOU DID NOT HOLD BACK ANY
4 DOCUMENTS FROM THE GOVERNMENT, RIGHT?

5 A. I DON'T KNOW. I HAVE WHAT I HAVE ON HAND.
6 AND THERE MAY BE LOSING SOME PLACE. I WAS TRYING
7 TO PULL ALL THE FILES TOGETHER. SO CANNOT
8 GUARANTEE HUNDRED PERCENT OF THE FILE THERE. BUT
9 IF THEY ASK IF I HAVE SOMETHING ELSE THEN I WILL
10 LOOK FOR IT.

11 Q. OKAY. BUT BEFORE YOU HANDED WHATEVER
12 DOCUMENTS YOU HANDED OVER TO THE GOVERNMENT, YOU OF
13 COURSE DID A SEARCH WITHIN YOUR HOME OR YOUR OFFICE
14 OR ON YOUR COMPUTER OF WHATEVER DOCUMENTS YOU HAD
15 RELATING TO ASENQUA, AQC, FIRESIDE AND ALBERT HU;
16 IS THAT CORRECT?

17 A. WHAT I THINK IS RELEVANT.

18 Q. WAIT, OKAY, I JUST WANT TO BE CLEAR. DID YOU
19 SEPARATE OUT SOME DOCUMENTS RELATING TO ASENQUA,
20 AQC, FIRESIDE AND/OR ALBERT HU THAT YOU CONSIDERED
21 NOT TO BE RELEVANT AND YOU DID NOT TURN THOSE
22 DOCUMENTS OVER TO THE GOVERNMENT LIKE THE DOCUMENTS
23 WE SEE IN EXHIBIT 63?

24 A. LET ME PUT IT THIS WAY; EVERYTHING THAT HAVE
25 CONNECTION WITH ASENQUA FUND AND AQC FUND, I DOES

1 MY MOST EFFORT TO BRING OUT WHATEVER I HAVE IN MY
2 POSSESSION.

3 BUT THERE ARE, FOR EXAMPLE, THE E-MAIL
4 NOTES BETWEEN OTHER INVESTOR AFTER I PRESENTED MY
5 FILE TO GOVERNMENT. I DID NOT FOLLOW UPKEEP
6 SENDING THEM EVERY MAIL I RECEIVED RELEVANT TO THIS
7 MATTER.

8 Q. OKAY. BUT AS TO DOCUMENTS THAT YOU HAD AT THE
9 TIME THAT YOU TURNED OVER THE DOCUMENTS TO THE
10 GOVERNMENT WHICH BECAME EXHIBIT 63, THOSE
11 DOCUMENTS, EVERYTHING AT THAT TIME, EVERYTHING THAT
12 YOU HAD THAT YOU COULD FIND THAT RELATED TO
13 ASENQUA, FIRESIDE, AQC, AND ALBERT HU YOU TURNED
14 OVER TO THE GOVERNMENT; IS THAT CORRECT?

15 A. TO MY BEST KNOWLEDGE, YES.

16 Q. OKAY. AND ALSO, WHATEVER YOU TURNED OVER,
17 THAT WAS ALL THE DOCUMENTS THAT YOU HAD THAT YOU
18 HAD RECEIVED FROM EITHER ALBERT HU OR ANYBODY
19 AFFILIATED WITH ALBERT HU; IS THAT CORRECT?

20 A. THAT'S CORRECT.

21 Q. OKAY. LET ME SHOW YOU A DOCUMENT -- AND BY
22 THE WAY, BEFORE I DO THAT I'M SORRY, AND OF COURSE
23 YOU WERE EVEN BEFORE THE GOVERNMENT CONTACTED YOU,
24 THROUGHOUT YOUR ACTING AS YOUR SISTER'S
25 REPRESENTATIVE IN INVESTING MONEY IN ASENQUA FUND

1 YOU KEPT GOOD RECORDS RIGHT BECAUSE YOU WANT TO
2 MAKE SURE YOU HAVE GOOD RECORDS SO THAT YOUR SISTER
3 WOULD HAVE THESE RECORDS, RIGHT?

4 A. I KEPT GOOD RECORD FROM ASENQUA CAPITAL, YES.

5 Q. AND YOU WANTED TO DO A VERY GOOD JOB BECAUSE
6 LIKE YOU SAID YOU WANT TO DO AS GOOD OF A JOB TO
7 PROTECT YOUR SISTER AS YOU WOULD FOR YOURSELF?

8 A. AS I WOULD FOR MYSELF, YES.

9 Q. I WANT TO SHOW YOU A DOCUMENT THAT I HAVE
10 MARKED AS DEFENDANT'S EXHIBIT 541. IT'S A
11 SINGLE-PAGED DOCUMENT.

12 AND I CAN REPRESENT TO YOU, MS. DOONG,
13 THAT THAT'S PART OF DOCUMENTS THAT YOU TURNED OVER
14 TO THE GOVERNMENT. BUT I WANT TO MAKE SURE YOU
15 HAVE A CHANCE TO LOOK AT THAT AND IF MY ASSUMPTION
16 IS WRONG I WILL ASK YOU SOME QUESTIONS BUT I WANT
17 TO LET YOU KNOW SORT OF WHERE THAT CAME FROM.

18 HAVE YOU HAD A CHANCE TO TAKE A LOOK AT
19 DEFENDANT'S EXHIBIT 541?

20 A. PARDON? OH, THIS ONE, YES.

21 Q. THE ONE PAGE DOCUMENT IN FRONT OF YOU. YOU'VE
22 HAD A CHANCE TO LOOK AT IT, RIGHT?

23 A. YES.

24 Q. DO YOU RECOGNIZE THE DOCUMENT?

25 A. YES.

1 Q. OKAY. DID YOU PREPARE THAT DOCUMENT?

2 A. YES.

3 Q. OKAY. WHAT WAS THE PURPOSE OF YOU
4 PREPARING -- FIRST OF ALL, WHAT DOES THAT DOCUMENT
5 SHOW IN YOUR MIND?

6 A. THE DOCUMENT IS A SUMMARY LIST FOR EVERYTHING
7 I PRESENTED TO THE GOVERNMENT. THIS IS JUST FOR
8 THEIR CONVENIENCE. I PUT DOWN THE TITLE FROM A TO
9 L.

10 Q. OKAY. SO IF YOU WILL, THIS IS A LIST OR AN
11 INDEX OF THE DOCUMENTS THAT YOU TURNED OVER TO THE
12 GOVERNMENT, RIGHT?

13 A. YES.

14 Q. OKAY. AND SOME OF WHICH APPEAR AS EXHIBIT 63;
15 IS THAT CORRECT?

16 A. I DON'T KNOW BECAUSE I DIDN'T PREPARE
17 EXHIBIT 63. BUT THOSE ARE DOCUMENTS I SEND IT TO
18 THEM.

19 Q. ALL RIGHT. OKAY. THEN LET ME STRIKE THE PART
20 ABOUT EXHIBIT 63. BUT THIS REPRESENTS A LIST OR
21 INDEX OF DOCUMENTS THAT YOU TURNED OVER TO THE
22 GOVERNMENT; IS THAT CORRECT?

23 A. THAT'S CORRECT.

24 MR. FONG: YOUR HONOR, AT THIS TIME I
25 WOULD MOVE INTO EVIDENCE DEFENDANT'S EXHIBIT 541.

1 MR. LUCEY: NO OBJECTION, YOUR HONOR.

2 THE COURT: ALL RIGHT. IT'S RECEIVED.

3 (WHEREUPON, DEFENDANT'S EXHIBIT NUMBER 541 HAVING
4 BEEN PREVIOUSLY MARKED FOR IDENTIFICATION, WAS
5 ADMITTED INTO EVIDENCE.)

6 MR. FONG: OKAY.

7 Q. AND THIS LIST OF DOCUMENTS INCLUDED EVERYTHING
8 YOU RECEIVED FROM ALBERT HU EAR SOMEBODY RELATED TO
9 OR SOMEBODY WORKING FOR ALBERT HU IN TERMS OF
10 DOCUMENTS THAT WERE GIVEN AT ANY TIME RELATING TO
11 THE ASENQUA FUND OR AQC OR ANYTHING ELSE, RELATES
12 TO ALBERT HU, RIGHT?

13 A. WHAT I HAVE IN MY POSSESSION.

14 Q. RIGHT.

15 A. I MAY HAVE LOST SOME FILES BUT THOSE ARE WHAT
16 I HAD IN MY POSSESSION.

17 Q. BUT YOU DON'T REMEMBER AS YOU SIT HERE THAT
18 WHEN YOU INITIALLY RECEIVED DOCUMENTS FROM ALBERT
19 HU, WHEN YOU FIRST GOT THEM YOU DIDN'T THROW THEM
20 AWARE OR ANYTHING. YOU TRIED TO, YOUR PRACTICE WAS
21 YOU TRIED TO KEEP THEM IN SOME KIND OF FILE OR
22 FOLDER, RIGHT?

23 A. YES.

24 Q. OKAY. YOU TRIED TO PRESERVE EVERYTHING THAT
25 YOU WERE GIVEN BECAUSE THEY COULD TURN OUT TO BE

1 IMPORTANT LATER ON; IS THAT CORRECT?

2 A. IF IT'S IMPORTANT. BUT I DON'T KEEP
3 EVERYTHING LIKE I DID WITH ANY OTHER INVESTMENT.
4 IF THAT'S TO MY JUDGMENT IT'S NOT IMPORTANT I MAY
5 JUST THROW IT AWAY.

6 Q. ALL RIGHT. WOULD YOU CONSIDER A PRIVATE
7 PLACEMENT MEMORANDUM ASSOCIATED WITH THE ASENQUA
8 FUND TO BE IMPORTANT?

9 A. IF YOU SHOW ME THE DOCUMENT, I MAY REMEMBER
10 THAT.

11 Q. YOU KNOW WHAT A PLACEMENT MEMORANDUM IS,
12 RIGHT?

13 A. YES.

14 Q. AND THE PLACEMENT MEMORANDUM IS SUPPOSED TO
15 TELL YOU A LOT OF INFORMATION ABOUT THE PARTICULAR
16 FUND OR WHATEVER BUSINESS OPPORTUNITY IF YOU WILL
17 THAT A PERSON WHO IS THINKING OF INVESTING WOULD
18 LOOK AT, RIGHT?

19 A. YES.

20 Q. AND SO TO YOU, YOU WOULD HAVE FORMALLY KEPT A
21 COPY OF THE PLACEMENT MEMORANDUM IF SOMEBODY GAVE
22 IT TO YOU IN CONNECTION WITH AN INVESTMENT
23 OPPORTUNITY, RIGHT?

24 A. I SHOULD HAVE.

25 Q. OKAY. NOW, DOES THIS LIST, EXHIBIT 541 WHICH

1 I WILL PUBLISH -- IF I COULD TROUBLE YOU, IF YOU
2 COULD HELP ME WITH THIS, THANK YOU.

3 THIS LIST, THE DOCUMENT YOU HAVE IN FRONT
4 OF YOU OR THE BLOW UP ON THE SCREEN, THIS LIST DOES
5 NOT CONTAIN THE -- ANY PRIVATE PLACEMENT MEMORANDUM
6 ASSOCIATED WITH THE ASENQUA BETA FUND; IS THAT
7 CORRECT?

8 A. NO.

9 Q. OKAY. NOW, DURING --

10 THE COURT: LET'S CLEAR THAT UP. SHE
11 SAID NO. YOU MEAN --

12 THE WITNESS: IT DIDN'T HAVE A NAME
13 REPLACEMENT THERE. SO IT WASN'T THERE.

14 MR. FONG: OKAY.

15 Q. SO IT DOES NOT INCLUDE THAT -- THAT'S A POOR
16 QUESTION, LET ME TRY AGAIN.

17 DOES THIS LIST INCLUDE ANY PLACEMENT
18 MEMORANDUM ASSOCIATED WITH THE ASENQUA BETA FUND?

19 A. NO.

20 Q. OKAY. NOW, DO YOU SEE THE ITEM THAT'S NEXT TO
21 THE LETTER I, AS INCOME, OR WHATEVER; DO YOU SEE
22 THAT?

23 A. YES.

24 Q. AND THAT DOCUMENT IS THE ASENQUA VENTURES FUND
25 LIMITED PARTNERSHIP AGREEMENT, CORRECT?

1 A. THAT'S CORRECT.

2 Q. NOW, THAT WAS PART OF THE DOCUMENTS YOU GAVE
3 TO THE GOVERNMENT, RIGHT, BECAUSE IT'S ON THE LIST?

4 A. YES.

5 Q. OKAY. IF YOU COULD LOOK AT EXHIBIT 63 IN
6 FRONT OF YOU, OKAY, DO YOU SEE THE ASENQUA VENTURES
7 MEMBER'S FUND LIMITED PARTNERSHIP AGREEMENT AMONG
8 THE DOCUMENTS IN EXHIBIT 63?

9 AND I DO RECOGNIZE EXHIBIT 63 DOES
10 CONTAIN A NUMBER OF PAGES BUT IF YOU WILL BEAR WITH
11 ME AND GO THROUGH THAT.

12 A. NOT IN THIS EXHIBIT.

13 Q. OKAY. SO IT'S NOT PART OF WHAT WE HAVE MARKED
14 AND ADMITTED INTO EVIDENCE AS THE GOVERNMENT'S
15 EXHIBIT 63; IS THAT CORRECT?

16 A. THAT'S CORRECT.

17 Q. NOW LET ME SHOW YOU A DOCUMENT THAT I'VE JUST
18 MARKED AS DEFENDANT'S EXHIBIT 542. DO YOU SEE THAT
19 DOCUMENT IN FRONT OF YOU?

20 A. YES.

21 Q. DO YOU RECOGNIZE THAT DOCUMENT?

22 A. YES.

23 Q. AND HAVE YOU SEEN THAT DOCUMENT BEFORE?

24 A. YES.

25 Q. AND --

1 A. IT'S THE EXHIBIT I.

2 Q. OKAY. SO THE DOCUMENT I HANDED YOU,
3 DEFENDANT'S EXHIBIT 542 IS ITEM I AS IN INCOME, ON
4 THE LIST THAT YOU PREPARED IN TERMS OF THE
5 DOCUMENTS THAT YOU TURNED OVER TO THE GOVERNMENT;
6 IS THAT CORRECT?

7 A. THAT'S CORRECT.

8 Q. AND CAN YOU -- DO YOU KNOW WHAT ASENQUA
9 VENTURES MEMBER'S FUND IS?

10 A. I THINK SO.

11 Q. ALL RIGHT. AND WHAT IS YOUR UNDERSTANDING OF
12 WHAT IS ASENQUA VENTURES MEMBERSHIP FUND THAT
13 THAT'S REFERENCED IN THE DOCUMENT THAT YOU HAVE IN
14 FRONT OF YOU, DEFENDANT'S EXHIBIT NUMBER 542?

15 A. I CONSIDER THAT JUST AS ANOTHER INVESTMENT
16 FUND.

17 Q. ALL RIGHT. SO IT'S AN INVESTMENT FUND THAT
18 YOUR SISTER YU-MEI DOONG HAD MADE WITH MR. HU,
19 RIGHT?

20 A. YES.

21 Q. OKAY. AND THAT WAS DONE THROUGH YOU, OF
22 COURSE, BECAUSE LIKE YOU SAID BEFORE YOU HANDLE
23 INVESTMENTS ON BEHALF OF YOUR YOUNGER SISTER; IS
24 THAT CORRECT?

25 A. THAT'S CORRECT.

1 Q. AND THIS WAS A SEPARATE INVESTMENT FROM THE
2 ASENQUA BETA FUND; IS THAT CORRECT?

3 A. THAT'S CORRECT.

4 Q. AND WAS IT -- DO YOU KNOW IF YOUR SISTER'S
5 INVESTMENT IN THE ASENQUA VENTURES MEMBER'S FUND
6 WAS ABOUT LOOKS LIKE, \$80,000?

7 A. YES.

8 Q. SO THAT WAS AN INVESTMENT THAT YOU HANDLED ON
9 BEHALF OF YOUR SISTER, RIGHT?

10 A. YES.

11 Q. NOW DO YOU, AS YOU SITS HERE, DO YOU KNOW WHAT
12 WAS THE PURPOSE HAVING A SEPARATE FUND, ASENQUA
13 FUND, THIS VENTURES MEMBER'S FUND THAT'S DIFFERENT
14 FROM THE ASENQUA BETA FUND?

15 A. I'M SORRY, I DON'T THINK I KNEW THAT.

16 Q. ALL RIGHT. AND NOW, YOU WERE OF COURSE GIVEN
17 A COPY OF THIS PARTICULAR DOCUMENT BEFORE OR AT OR
18 AROUND THE TIME THAT YOUR SISTER, THAT YOU MADE THE
19 INVESTMENT ON BEHALF OF YOUR SISTER, RIGHT?

20 A. YES.

21 Q. OKAY. AND NOW OF THE \$80,000 THAT YOU
22 INVESTED ON BEHALF OF YOUR SISTER INTO THE ASENQUA
23 VENTURES MEMBER'S FUND, HAS THAT EVER BEEN RETURNED
24 TO YOUR SISTER OR YOU?

25 A. NO. IT WAS MONEY, WE NEVER RECEIVED ANY

1 STATEMENTS.

2 Q. SO YOU NEVER GOT IT, RIGHT?

3 A. NEVER GOT ANY MONEY BACK.

4 Q. NOW, DID YOU EXPECT THAT YOU WOULD BE ABLE TO
5 GET BACK THAT MONEY, THE \$80,000 THAT YOU INVESTED
6 ON BEHALF OF YOUR SISTER INTO THE ASENQUA VENTURES
7 MEMBER'S FUND?

8 A. YES.

9 Q. OKAY. YOU ASKED FOR IT BACK, RIGHT?

10 A. I DIDN'T. WHEN WE DID THE WITHDRAWING I
11 DIDN'T TOUCH ON THIS FUND YET.

12 Q. OKAY. DO YOU MEAN WITH THE WITHDRAWAL YOU
13 MEAN THE FORM THAT YOU SIGN?

14 A. YES.

15 Q. BUT YOU DID ASK MR. HU TO GIVE YOU BACK THAT
16 \$80,000 IN ADDITION TO THE OTHER DEMANDS THAT YOU
17 MADE, RIGHT?

18 A. I FORGOT, MAYBE. BECAUSE ALL MY BALANCE I
19 ALWAYS INCLUDE THIS 80,000.

20 Q. OKAY. SO EVEN THOUGH YOU MAY NOT HAVE ASKED
21 FOR THIS SPECIFICALLY YOU INCLUDED THIS AMOUNT IN
22 WHATEVER YOU WERE DEMANDING THAT MR. HU RETURN TO
23 YOU, RIGHT?

24 A. I DON'T REMEMBER. I THOUGHT OUR PURPOSE IS
25 FOR ASENQUA AND AQC FOR THIS MONEY IF HE DIDN'T

1 ANSWER I'M OKAY. I WANT TO GET MY SISTER BIG CHUNK
2 OF MONEY AND IT WAS 300,000 INVEST. SO I PROBABLY
3 LIKELY MENTIONED ABOUT THIS FUND. BUT WE DIDN'T
4 PUT ANYTHING IN WRITING TO REQUEST RETURN OF THIS
5 FUND.

6 Q. BUT DO YOU KNOW IF YOU ASKED MR. HU TO RETURN
7 THIS PARTICULAR FUND, THE \$80,000?

8 A. I DON'T REMEMBER, AIM SORRY.

9 Q. THAT'S OKAY. AND DO YOU KNOW AS YOU SIT HERE
10 UNDER THIS LIMITED PARTNERSHIP AGREEMENT, WAS YOUR
11 SISTER ENTITLED TO GET BACK THE \$80,000 WHEN, IF
12 SHE WANTED TO BY ASKING MR. HU TO RETURN THAT
13 MONEY?

14 A. I'M SORRY I PROBABLY HAVE TO READ THROUGH THE
15 WHOLE THING TO SEE IF SHE'S ENTITLED TO GET THIS
16 MONEY BECAUSE THIS IS A PARTNERSHIP, MEANS NOT
17 MAYBE 80,000 DEPENDING HOW THE FUND IS DOING. AND
18 NEVER RECEIVE AN ANSWER OR FEEDBACK OR ANY
19 STATEMENT ABOUT THE PERFORMANCE OF THIS FUND.

20 Q. SO AS YOU SIT HERE YOU DON'T KNOW IF THIS
21 PARTICULAR AGREEMENT HAS LIMITATIONS AS TO WHEN
22 YOUR SISTER CAN WITHDRAW HER MONEY, RIGHT?

23 A. NO BECAUSE ALBERT DID NOT SAY THAT TO US AT
24 ALL AND HE NEVER TOLD US THERE IS A LIMITATION AND
25 HE DIDN'T SAY THERE'S A TERMINOLOGY OR WHATEVER IN

1 THIS THAT WOULD RESTRICT US WITHDRAW MONEY BACK.

2 Q. OKAY?

3 A. AND ALSO, IN THAT SENSE, IF THAT'S ALL MY
4 SISTER'S SIDE, AT LEAST THIS SHOULDN'T APPLY ON MY
5 AQC SIDE. AND WHATEVER HE TOLD ME ON THE
6 RESTRICTION ON FUND WITHDRAWING IS NEW TO ME. I
7 HAVE NEVER HEARD ABOUT IT OTHERWISE I WOULD GO BACK
8 AND SORT OUT AND READ THIS DOCUMENT.

9 Q. MY QUESTION IS FOCUSED ONLY, IF I DIDN'T MAKE
10 THAT CLEAR THAT'S MY FAULT AND I APOLOGIZE.

11 MY QUESTION TO YOU NOW IS AS TO THE
12 \$80,000 YOU INVESTED ON BEHALF OF YOUR SISTER INTO
13 THE ASENQUA VENTURES MEMBER'S FUND, DID YOU KNOW
14 BEFORE TODAY IF THERE WAS ANY RESTRICTION ON YOUR
15 SISTER'S ABILITY TO GET THAT MONEY BACK IF SHE
16 WANTED TO?

17 A. NO.

18 Q. YOU DO NOT KNOW?

19 A. NO.

20 Q. YOU DO NOT KNOW -- THAT WAS A BAD QUESTION?

21 A. I DO NOT KNOW. NO, I DO NOT KNOW.

22 Q. LET ME DIRECT YOUR ATTENTION THEN TO PAGE TWO
23 OF -- PARAGRAPH 2.1, PAGE TWO OF DEFENDANT'S
24 EXHIBIT 542, DO YOU HAVE THAT IN FRONT OF YOU,
25 MA'AM?

1 MR. LUCEY: YOUR HONOR, MY WE APPROACH?

2 THE COURT: WHAT'S YOUR OBJECTION?

3 MR. LUCEY: WELL, THERE'S ALREADY BEEN
4 SOME QUESTIONING ON THIS MATTER.

5 THE COURT: WELL, I AGREE IT'S A
6 DIFFERENT MATTER BUT I THINK IT'S RELATED AND I
7 WILL LET YOU GET INTO IT A LITTLE BIT.

8 MR. FONG: OKAY. THANK YOU, YOUR HONOR.

9 Q. AND MS. DOONG, LET ME START MY QUESTION AGAIN.

10 FIRST OF ALL, MAY I TROUBLE YOU TO LOOK
11 AT ON PAGE 2, PARAGRAPH 2.1. AND JUST LET ME KNOW
12 WHEN YOU HAVE READ THAT PARAGRAPH.

13 A. YES.

14 Q. OKAY. NOW THAT PARAGRAPH IS ENTITLED TERM,
15 T-E-R-M; IS THAT RIGHT?

16 A. YES.

17 Q. AND THAT PARAGRAPH SAYS THAT THE LIMITED
18 PARTNERS INVESTMENT IN THIS PARTICULAR FUND WOULD
19 STAY IN THERE UNTIL THE PARTNERSHIP STOPPED IN TEN
20 YEARS FROM 2005; IS THAT CORRECT?

21 THE COURT: WELL, LET ME STOP YOU.

22 ONE, I DON'T THINK THAT'S A FAIR READING
23 OF THAT PARAGRAPH.

24 BUT WHAT DOES THIS INVESTMENT HAVE TO DO
25 WITH THE ISSUES IN THIS CASE? I THOUGHT YOU WERE

1 GOING TO A DIFFERENT DIRECTION I'M CONCERNED WE ARE
2 GETTING OFF TO SOMETHING THAT'S NOT RELEVANT.

3 MR. FONG: MAY WE APPROACH?

4 THE COURT: ALL RIGHT. BUT I WOULD LIKE
5 TO AVOID THIS AS MUCH AS POSSIBLE.

6 (SIDE-BAR DISCUSSION ON THE RECORD.)

7 MR. FONG: YOUR HONOR, IT HAS TO DO WITH
8 HER REPRESENTATION BECAUSE SHE TESTIFIED REPEATEDLY
9 IF I HAD KNOWN.

10 AND I'M WILLING TO SHOW THAT THAT WAS,
11 THAT MIGHT NOT BE TRUE, I WANT TO TEST THE
12 TRUTHFULNESS OF THAT ASSERTION BECAUSE THIS IS
13 SOMETHING THAT IS A RELATED -- IT IS NOT THE SAME
14 INVESTMENT BUT IT'S BASICALLY WHAT SHE WAS DOING
15 FOR HER SISTER ON BEHALF OF, IN RELATION TO THE
16 ASENQUA INVESTMENTS.

17 I MEAN, THERE'S NO DIFFERENCE BETWEEN
18 THIS FUND AND THE BETA FUND.

19 THE COURT: WHY DOESN'T THAT SATISFY --
20 THAT'S WHERE I THOUGHT YOU WERE GOING WITH THE
21 QUESTION OF, DID YOU EVER -- DID YOU EVER INVEST
22 80,000 ON BEHALF OF YOUR SISTER AND THIS FUND,
23 YOU'VE NEVER ASKED FOR THAT BACK.

24 MR. LUCEY: HE ALREADY ASKED THAT
25 QUESTION.

1 MR. FONG: I DID.

2 BUT SHE HAS NOT, SHE SAID -- WHAT SHE HAS
3 SAID IS THAT SHE DOESN'T KNOW IF SHE COULD, SHE
4 DOESN'T KNOW ONE WAY OR THE OTHER.

5 MR. LUCEY: BUT SHE ALSO SAID SHE
6 UNDERSTOOD SHE HAD DIFFERENT RIGHTS AND OBLIGATIONS
7 AS A PARTNERSHIP AS OPPOSED TO AN INVESTMENT FUND.

8 MR. FONG: MY POINT IS SHE DIDN'T READ
9 THE DOCUMENT. THAT'S MY POINT, YOUR HONOR. SHE
10 DIDN'T READ THE DOCUMENT AND SHE PROBABLY DIDN'T.
11 AND I UNDERSTAND FOR ARGUMENT THE INFERENCE IS THAT
12 SHE DIDN'T READ CERTAIN DOCUMENTS.

13 THE COURT: BUT IF SHE DIDN'T READ THIS
14 DOCUMENT, I'M STILL MISSING YOUR POINT THAT YOU ARE
15 SAYING SHE WOULDN'T HAVE ENTERED INTO ANOTHER
16 INVESTMENT ON BEHALF OF HER SISTER WHICH HAD A
17 PROVISION THAT SAID WHAT?

18 MR. FONG: WELL, A VERY CRITICAL
19 PROVISION THAT SAYS THE PARTNERS CANNOT WITHDRAW
20 THEIR MONEY UNTIL THE END OF THE PARTNERSHIP AND
21 THE END OF THE PARTNERSHIP IS SUPPOSED TO BE IN
22 MARCH OF 2015.

23 NOW, IF SHE DIDN'T KNOW THAT, IF SHE
24 DIDN'T KNOW THAT, THEN THAT RAISES THE QUESTION OF
25 HER TRUTHFULNESS OR THE ACCURACY OF HER REPEATED

1 STATEMENTS UNDER OATH WITH THAT, YEAH, IF I HAD
2 KNOWN THIS, THIS WAS HIDDEN FROM ME IF I HAD KNOWN
3 THIS, I WOULD NOT HAVE DONE THIS.

4 MR. LUCEY: I THINK THAT MISSTATEMENTS
5 TESTIMONY SHE SAID EARLIER THAT SHE UNDERSTOOD SHE
6 WAS INVOLVED IN A PARTNERSHIP DIFFERENT FROM THE
7 INVESTMENT FUNDS A DISTINCT RELATIONSHIP.

8 THE COURT: THAT'S, I'M NOT SURE, A
9 CRITICAL POINT. BUT SHE -- IS THERE A PROVISION
10 THAT SAYS THAT SHE CAN'T GET MONEY BACK.

11 MR. FONG: ACTUALLY, BECAUSE ON THE FIRST
12 PARAGRAPH IT SAYS THAT THE PARTNERSHIP DOESN'T END
13 UNTIL 2015.

14 THE COURT: THEN IT'S JUST THE TERM OF
15 PARTNERSHIP.

16 MR. FONG: THEN THERE'S ANOTHER PARAGRAPH
17 THAT SAYS THE PARTNERS CANNOT WITHDRAW THEIR MONEY.
18 I MEAN IT'S -- YOU KNOW.

19 THE COURT: WHAT DOES THAT HAVE TO DO
20 WITH THE INVESTMENT AND IS THERE A SIMILAR
21 PROVISION IN THERE?

22 MR. FONG: NO, THERE IS NOT. THERE IS
23 NOT.

24 BUT WHAT IT GOES TO SHOW IS THAT WHAT
25 THE -- THE GOVERNMENT HAS MADE THIS CASE ABOUT HOW

1 THESE INDIVIDUALS HAD RELIED ON THESE STATEMENTS
2 AND ON OTHER REPRESENTATIONS.

3 MY POINT IS, WAIT A MINUTE, AS A MATTER
4 OF FACT CONTRARY TO THE GOVERNMENT'S OF A
5 PARTICULAR FACT, THAT MIGHT NOT BE ENTIRELY TRUE.
6 AND I'M ENTITLED TO EXPLORE I BELIEVE WHETHER OR
7 NOT IF SHE SAW SOMETHING SHE WOULD HAVE ACTED
8 DIFFERENTLY.

9 I GUESS THAT'S REALLY MY ARGUMENT,
10 YOUR HONOR, THAT THE GOVERNMENT HAS SET FORTH A LOT
11 OF EVIDENCE THAT IF SHE HAD KNOWN THE TRUE FACTS
12 SHE WOULD HAVE ACTED DIFFERENTLY.

13 THE COURT: IF YOU WANT TO ASK SOME VERY
14 POINTED QUESTIONS AS TO, DID YOU ASK FOR A REFUND
15 OF THIS OTHER FUND AND YOU'VE ALREADY ESTABLISHED
16 THAT YOU DIDN'T KNOW, I THINK THAT'S FINE, FOR THAT
17 VERY LIMITED PURPOSE.

18 BUT I WANT TO AVOID GETTING OFF ON OTHER
19 THINGS. I JUST THINK THAT --

20 MR. FONG: OKAY.

21 THE COURT: -- THE WHOLE IDEA AS TO
22 WHETHER SHE WOULD HAVE INVESTED ANYWAY IS REALLY
23 NOT THE ISSUE IN THIS CASE.

24 MR. FONG: WELL, YOUR HONOR, THAT MAY BE
25 TRUE AS A MATTER OF LAW BUT THE GOVERNMENT HAS

1 MADE --

2 THE COURT: I AGREE THE GOVERNMENT HAS
3 MADE IT AN ISSUE.

4 MR. FONG: BUT ANYWAY, ALL RIGHT. OKAY.
5 THANK YOU.

6 (WHEREUPON THE SIDEBAR DISCUSSION WAS CONCLUDED.)
7 BY MR. FONG:

8 Q. LET ME THEN JUST ASK YOU A NEW QUESTION,
9 MS. DOONG.

10 HAVING READ PARAGRAPH 2.1, DO YOU HAVE AN
11 UNDERSTANDING OF WHETHER OR NOT THE PARTNERSHIP IS
12 SUPPOSED TO END IN 2015?

13 A. READING THIS, YES.

14 Q. OKAY. BUT YOU DID NOT KNOW THAT BEFORE YOU
15 READ IT IN COURT TODAY; IS THAT CORRECT?

16 A. I KNEW THAT BUT I DID NOT THINK IT'S RELEVANT
17 BECAUSE I DIDN'T ASK FOR THIS MONEY BACK FROM
18 ALBERT HU.

19 Q. OKAY. BUT I THOUGHT YOU TESTIFIED A LITTLE
20 BIT EARLIER THAT YOU DID ASK FOR THIS MONEY BACK
21 NOT IN WRITING BUT AS PART OF WHAT YOU WERE ASKING?

22 A. I CONSIDERED THAT AS PART OF THE INVESTMENT IN
23 THE WHOLE LUMP SUM.

24 SO IN MY RECORD, IT'S ALWAYS THERE. BUT
25 IN ASKING THE MONEY TO GET BACK, I DIDN'T TOUCH ON

1 THIS SUBJECT AT ALL.

2 Q. YOU DIDN'T TOUCH ON THIS SUBJECT --

3 A. BUT I DIDN'T FORGET THIS \$80,000 INVESTMENT.

4 Q. SO EVEN THOUGH YOU DIDN'T ASK FOR YOU DIDN'T
5 ASK FOR IT BY THE TITLE OF THE \$80,000 INVESTMENT
6 IN THE ASENQUA VENTURES FUND, YOU DIDN'T ASK FOR
7 THE 80,000 AS PART OF YOUR OVER ALL NUMBER THAT YOU
8 DEMANDED TO ALBERT HU; IS THAT CORRECT?

9 A. NO, I DON'T THINK IT'S CORRECT BECAUSE ALL THE
10 RECORD I DID ASK ON THE WITHDRAWAL FORM IN ALL
11 COMMUNICATION, IT'S ALL RELATED TO MY SISTER, THE
12 ASENQUA BETA FUND. AND ALSO MY AQC.

13 IF I ASK FOR THAT MONEY THEN WE SHOULD
14 HAVE A SEPARATE AGREEMENT ON THAT SUBJECT.

15 Q. BUT I'M NOT TALKING ABOUT WHAT YOU ASKED FOR
16 IN WRITING I'M SIMPLY ASKING YOU IF YOU ASKED
17 MR. HU EVER FOR RETURN OF A LUMP SUM THAT WOULD
18 HAVE INCLUDED THE \$80,000 THAT -- THAT WAS INVESTED
19 IN THE ASENQUA VENTURES MEMBER'S FUND?

20 A. I DO NOT REMEMBER BECAUSE AFTER WE ASKED TO
21 WITHDRAW I CHASE AFTER, IS THIS AQC AND ASENQUA
22 BETA.

23 Q. OKAY. THANK YOU.

24 OKAY. NOW, YOU TESTIFIED A LITTLE BIT
25 EARLIER THAT THE VERY FIRST INVESTMENT THAT YOU

1 MADE ON BEHALF OF YOUR SISTER MEI, YU-MEI DOONG WAS
2 IN JULY OF 2004; IS THAT CORRECT?

3 A. THAT'S CORRECT.

4 Q. AND YOU TESTIFIED A LITTLE BIT EARLIER THAT
5 WAS ABOUT HALF A YEAR BEFORE YOU EVER SAW THE
6 CASTILLO, LYN, COHEN & VIJAY AUDITED STATEMENT,
7 RIGHT?

8 A. I BELIEVE SO.

9 Q. OKAY. SO AT THE TIME THAT YOU MADE THE
10 INITIAL \$200,000 INVESTMENT, YOU OF COURSE DID NOT
11 RELY ON THE CASTILLO, LYN, COHEN & VIJAY AUDITED
12 STATEMENT, RIGHT?

13 A. NO.

14 Q. AND IN FACT, YOU MADE THE INITIAL
15 INVESTMENT --

16 THE COURT: MR. FONG, JUST TO WARN YOU,
17 YOU'RE ASKING SOME QUESTIONS WHERE THE YES OR NO
18 ANSWER MAY BE DIFFERENT THAN IF YOU JUST READ THE
19 HARD RECORD.

20 MR. FONG: I CERTAINLY APPRECIATE THE
21 COURT POINTING THAT OUT. I WILL TRY MY BEST TO
22 MAKE MY QUESTIONS CLEARER. BUT THANK YOU SO MUCH,
23 YOUR HONOR

24 Q. JUST SO I HAVE A CLEAR RECORD I WILL TRY TO
25 ASK A BETTER QUESTION.

1 WHEN YOU MADE THE FIRST INVESTMENT ON
2 BEHALF OF YOUR SISTER IN JULY 2004, DID YOU RELY ON
3 THE CASTILLO, LYN, COHEN & VIJAY AUDITED
4 STATEMENTS?

5 A. NO, I RELIED ON OTHERS.

6 Q. OKAY. AND WERE YOU GIVEN ANY WRITTEN
7 FINANCIAL STATEMENTS BEFORE YOU MADE THE FIRST
8 INVESTMENT ON JULY 2ND, 2004, ON BEHALF OF YOUR
9 SISTER?

10 A. YES. IT MAY NOT BE IN MY POSSESSION ANYMORE.
11 I REMEMBER I SAW A RECORD LIKE THREE YEARS
12 CONSECUTIVE PERFORMANCE RECORD COMPARING THE
13 ASENQUA FUND VERSUS NASDAQ AND S&P 500.

14 Q. BUT THOSE, THE RECORDS THAT YOU SAW, THEY WERE
15 NOT PREPARED BY -- WERE THEY PREPARED BY THE FIRM
16 OF CASTILLO, LYN, COHEN & VIJAY?

17 A. PROBABLY, NO.

18 Q. AND NOW, AS YOU SIT HERE TODAY, YOU DO NOT
19 KNOW ONE WAY OR THE OTHER IF THE NUMBERS THAT ARE
20 CONTAINED IN THE CASTILLO AUDITED STATEMENT, YOU
21 HAVE NO IDEA IF THOSE NUMBERS ARE RIGHT OR WRONG,
22 RIGHT?

23 A. IT SHOULD BE RIGHT.

24 Q. OKAY. IT SHOULD BE RIGHT.

25 NOW, WHEN YOU FIRST MADE THE INVESTMENT

1 ON BEHALF OF YOUR SISTER IN JULY 2004, YOU DID THAT
2 ON THE RECOMMENDATION OF YOUR HUSBAND MICHAEL
3 CHUANG, RIGHT?

4 A. THAT'S CORRECT. I PASSED WHAT I THOUGHT THE
5 INVESTMENT OPPORTUNITY, AND THIS INVESTMENT WAS
6 BROUGHT UP TO MY ATTENTION THROUGH MY HUSBAND.

7 Q. AND YOUR HUSBAND SPECIFICALLY RECOMMENDED THAT
8 YOU DO SO?

9 A. NO.

10 Q. BUT YOUR HUSBAND BROUGHT THIS TO YOUR
11 ATTENTION, RIGHT?

12 A. YES.

13 Q. AND OF COURSE, YOU TRUST YOUR HUSBAND?

14 A. THE INFORMATION HE GAVE ME, I TRUST THE
15 INFORMATION HE GAVE ME, THE CREDENTIAL ON THE
16 BUSINESS SIDE OF ALBERT HU AND THE PAST HISTORY
17 RECORD.

18 Q. OKAY. YOUR HUSBAND TOLD YOU THAT HE THOUGHT
19 THIS WAS A GOOD INVESTMENT, AMONG OTHER REASONS,
20 BECAUSE OF MR. HU'S CREDENTIALS AS A PHD FROM MIT;
21 IS THAT CORRECT?

22 A. YES.

23 Q. OKAY. AND YOUR HUSBAND ALSO TOLD YOU THAT
24 BASED ON HIS DEALINGS WITH MR. HU, THAT HE THOUGHT
25 THIS WOULD BE A GOOD INVESTMENT?

1 MR. LUCEY: OBJECTION. ASKED AND
2 ANSWERED, YOUR HONOR.

3 THE WITNESS: HE DIDN'T TELL ME HIS
4 DEALING --

5 THE COURT: WAIT A MINUTE. I WILL
6 OVERRULE THE OBJECTION.

7 YOU CAN ANSWER. GO AHEAD. YOU CAN
8 ANSWER NOW.

9 THE WITNESS: HE DIDN'T TELL ME HIS
10 DEALING WITH ALBERT HU. I DON'T KNOW WHAT KIND OF
11 DEALING THEY HAD IN THE PAST, HE TOLD ME THIS IS A
12 GOOD INVESTMENT OPPORTUNITY.

13 AND IT SEEMS THEY HAVE A VERY GOOD TRACK
14 RECORD. AND THE STRATEGY THEY USE, HE LISTEN AND
15 HE THINK IT'S A SOUND INVESTMENT STRATEGY.

16 BY MR. FONG:

17 Q. SO PART OF WHAT HE TOLD YOU IS THAT HEY, I
18 HEARD MR. HU'S INVESTMENT STRATEGY AND I LIKE IT,
19 IS THAT TRUE?

20 A. IT'S A SOUND STRATEGY.

21 Q. OKAY. A SOUND -- OKAY. SO WHAT HE TOLD YOU
22 WAS SOMETHING TO THE EFFECT OF, I HEARD MR. HU TALK
23 ABOUT HIS INVESTMENT STRATEGY AND TO ME, MICHAEL
24 CHUANG, I THINK THAT'S A SOUND STRATEGY; IS THAT
25 CORRECT?

1 A. THAT'S CORRECT.

2 Q. OKAY. NOW --

3 A. HE EXPLAINED TO ME IN MORE DETAIL, BUT, MORE
4 THAN THAT ON THE STRATEGY ITSELF.

5 Q. CERTAINLY. I DON'T MEAN TO IMPLY THAT'S ALL
6 HE TOLD YOU BUT THAT WAS ONE OF THE STATEMENTS HE
7 MADE TO YOU WHEN HE WAS INTRODUCING YOU TO THE
8 ASENQUA FUND, RIGHT?

9 A. YES. LIKE OTHER PEOPLE REFER TO ME FOR AN
10 INVESTMENT OPPORTUNITY, THAT'S HOW I'M REGARDED.

11 Q. DID YOUR HUSBAND INTRODUCE YOU TO A LOT OF
12 DIFFERENT INVESTMENT OPPORTUNITIES?

13 A. YES.

14 Q. OKAY.

15 A. IF WE WANT TO INVEST IT OURSELVES WE DISCUSS.

16 Q. OKAY. DID YOU INVEST IN A LOT OF OF THE
17 INVESTMENT OPPORTUNITIES THAT YOUR HUSBAND BROUGHT
18 TO YOUR ATTENTION?

19 A. NOT ALL OF THEM.

20 Q. OKAY. COULD YOU GIVE ME, SINCE THE YEAR 2000,
21 APPROXIMATELY HOW MANY INVESTMENT OPPORTUNITIES DID
22 YOUR HUSBAND BRING TO YOUR ATTENTION FOR YOU TO
23 LOOK AT?

24 A. I CAN'T TELL THE NUMBER, FEW.

25 Q. WOULD IT BE MORE THAN TEN?

1 A. I CAN'T ANSWER THAT BECAUSE I DON'T KNOW HOW
2 MANY. SOMETHING JUST, MAY BE JUST BRING IT
3 LIGHTLY, HEARD ABOUT SOMETHING, AND SOME HAD MORE
4 INVESTIGATION AND SOME ASKED FOR DATA SO I CANNOT
5 TELL HOW MANY. BUT THIS PROBABLY IS BY FAR ON
6 YU-MEI'S SIDE OF HER INVESTMENT, BY FAR THE LARGEST
7 AMOUNT.

8 Q. THERE WERE OTHER INVESTMENT OPPORTUNITIES THAT
9 YOUR HUSBAND BROUGHT TO YOU THAT YOU MADE
10 INVESTMENT IN, RIGHT?

11 A. I THINK SO.

12 Q. OKAY. CAN YOU GIVE ME YOUR BEST ESTIMATE OF
13 HOW MANY, MORE THAN FIVE? LESS THAN -- FEWER THAN
14 FIVE?

15 A. YOU MEAN ACTUAL DOING THE INVESTMENT.

16 Q. YES.

17 A. FEWER THAN FIVE.

18 Q. OKAY. SO IT'S A VERY LIMITED NUMBER OF
19 INVESTMENT OPPORTUNITIES THAT YOUR HUSBAND BROUGHT
20 TO YOUR ATTENTION THAT YOU ENDED UP INVESTING IN;
21 IS THAT CORRECT?

22 A. THAT'S CORRECT.

23 Q. OKAY. OKAY. NOW, I GATHER THAT OF COURSE IN
24 2004 YOU HAD ACCESS TO THE INTERNET, RIGHT?

25 A. 2004, YES.

1 Q. OKAY. AND YOU CERTAINLY HAVE NO TROUBLE USING
2 THE INTERNET, RIGHT?

3 A. CORRECT.

4 Q. OKAY. AND NOW, YOU ARE AWARE THAT IN 2004 YOU
5 ARE AWARE THAT THAT A CERTIFIED PUBLIC ACCOUNTANT
6 IN CALIFORNIA WOULD HAVE TO HAVE OR SHOULD HAVE A
7 PROFESSIONAL LICENSE GIVEN BY THE STATE OF
8 CALIFORNIA; IS THAT CORRECT?

9 A. IF YOU ASK IF I CHECK IF HE HAS A CREDENTIAL,
10 I DIDN'T. I THOUGHT IT'S TRUE.

11 THE COURT: HIS QUESTION WAS --

12 THE WITNESS: OKAY.

13 THE COURT: HIS QUESTION WAS WHETHER OR
14 NOT YOU UNDERSTOOD THAT CPA'S HAD TO HAVE A LICENSE
15 IN CALIFORNIA.

16 THE WITNESS: I KNEW THEY HAVE A LICENSE
17 IN CALIFORNIA BECAUSE MY FRIEND THEY HAVE TO TAKE A
18 TEST IN ORDER TO GET A QUALIFICATION LICENSE.

19 BY MR. FONG:

20 Q. AND IN 2004 YOU KNEW THAT WHETHER OR NOT A
21 PARTICULAR PERSON OR COMPANY OR OFFICE, IF YOU
22 WILL, A FIRM, IF YOU WILL, HAD, WAS LICENSED BY THE
23 STATE OF CALIFORNIA FOR ACCOUNTING, OR ACCOUNTANCY
24 I SHOULD SAY, THAT WAS A MATTER OF PUBLIC RECORD.
25 YOU KNEW THAT, RIGHT, IN 2004?

1 A. I DIDN'T KNOW THAT.

2 Q. YOU DID NOT THINK THAT YOU COULD, YOU AS A
3 MEMBER OF THE PUBLIC, COULD FIND THAT OUT?

4 A. NO, I DIDN'T KNOW BECAUSE I DIDN'T THINK OF
5 FINDING IT OUT.

6 Q. I UNDERSTAND THAT YOU DIDN'T THINK ABOUT DOING
7 THE ACTUAL SEARCH. I UNDERSTAND THAT.

8 BUT MY QUESTION IS: IN 2004 DID YOU
9 KNOW -- DID YOU KNOW ONE WAY OR THE OTHER IF THE
10 LICENSING STATUS OF A PARTICULAR PERSON OF AN
11 ACCOUNTANT IN THE STATE OF CALIFORNIA WOULD BE A
12 MATTER OF PUBLIC RECORD?

13 A. NO, I DIDN'T KNOW.

14 Q. OKAY. NOW, DID YOU HOLD -- AT ANY POINT IN
15 YOUR CAREER DID YOU HOLD A PROFESSIONAL LICENSE IN
16 THE STATE OF CALIFORNIA?

17 A. NO.

18 Q. DO YOU KNOW ANYBODY WHO HELD A PROFESSIONAL
19 LICENSE IN THE STATE OF CALIFORNIA?

20 A. I KNEW -- I HAVE A FRIEND WHO HOLD SOME
21 LICENSE THAT INVOLVES SOME ENVIRONMENTAL ISSUES.

22 Q. OKAY. NOW, IN 2004, DID YOU KNOW IS THAT THE
23 PUBLIC CAN GET INFORMATION ABOUT WHETHER OR NOT A
24 PARTICULAR CPA HAD EVER BEEN DISCIPLINED BY THE
25 LICENSING AGENCY IN THE STATE OF CALIFORNIA?

1 A. NO, I DIDN'T KNOW.

2 Q. OKAY. WOULD THAT HAVE BEEN IMPORTANT
3 INFORMATION TO KNOW?

4 A. YES.

5 Q. IF YOU HAD DONE A SEARCH AND FOUND THAT THE
6 CASTILLO OFFICE WAS NOT LICENSED BY THE STATE OF
7 CALIFORNIA WOULD THAT HAVE BEEN IMPORTANT
8 INFORMATION FOR YOU?

9 A. YES.

10 Q. NOW LET ME DRAW YOUR ATTENTION, IF I MAY,
11 TO -- I'M GOING TO SHOW YOU A DOCUMENT THAT'S PART
12 OF EXHIBIT 63 WHICH IS ALREADY IN EVIDENCE.

13 FIRST OF ALL, MA'AM, DO YOU SEE THE
14 DOCUMENT I JUST PLACED IN FRONT OF YOU?

15 A. YES, I DO.

16 Q. JUST FOR THE RECORD I WILL REPRESENT TO YOU
17 AND YOU CAN TELL ME IF THIS IS ACCURATE OR NOT,
18 IT'S A DOCUMENT THAT HOLDS PAGES OF, WITH THE BATES
19 NUMBER HU-001075-A AS IN APPLE. TO HU-001107-A
20 AS IN APPLE.

21 FIRST OF ALL, DO YOU SEE THE BATES
22 NUMBERS ON THE FIRST AND THE LAST PAGE, THAT
23 PARTICULAR DOCUMENT?

24 A. YES, I SEE IT.

25 Q. OKAY. AND AGAIN, THIS IS ALREADY IN EVIDENCE

1 AS PART OF EXHIBIT 63 BUT I JUST WANTED TO MAKE
2 SURE THAT WE ARE TALKING ABOUT THE SAME DOCUMENT,
3 ALL RIGHT. OKAY. AND IT'S A 33 PAGE DOCUMENT; IS
4 THAT CORRECT?

5 A. YES.

6 Q. OKAY. AND THIS IS THE ASENQUA BETA FUND
7 SUBSCRIPTION BOOKLET; IS THAT CORRECT?

8 A. THAT'S CORRECT.

9 Q. OKAY. NOW, EXCUSE ME FOR ONE SECOND WHILE
10 I -- NOW, I WANT TO DIRECT YOUR ATTENTION TO PAGE 4
11 OF 33 OF THE DOCUMENT I JUST PUT IN FRONT OF YOU.
12 THAT WOULD OCCUR THE BATES NUMBER HU-001078 A,
13 RIGHT?

14 A. YES.

15 Q. THE FIRST PARAGRAPH THERE READS, IF YOU DECIDE
16 AFTER YOU REVIEWED THE CONFIDENTIAL PRIVATE
17 PLACEMENT MEMORANDUM OF THE ASENQUA BETA FUND LP,
18 THE FUND, DATED ON OR ABOUT JUNE 10TH, 2002, AS AN
19 AMENDED OR SUPPLEMENTED FROM TIME IT TIME, THE
20 MEMORANDUM, AND A LIMITED PARTNERSHIP AGREEMENT OF
21 THE FUND PROVIDED THERE WITH TO INVEST IN THE FUND,
22 PLEASE FOLLOW THE INSTRUCTIONS BELOW.

23 DO YOU SEE THAT PARAGRAPH?

24 A. YES, I SEE IT.

25 Q. AND DID YOU READ THAT PARAGRAPH BEFORE YOU

1 MADE THE INVESTMENT ON BEHALF OF YOUR SISTER, THE
2 VERY FIRST INVESTMENT IN JULY ON OR ABOUT JULY 2ND,
3 2004?

4 A. YES.

5 Q. OKAY. AND --

6 A. AND I ALSO WHEN I MET ALBERT I ASKED HIM ABOUT
7 THE EXHIBIT A PART.

8 Q. OKAY. NEITHER THE MEMO OR -- NOR THE LIMITED
9 PARTNERSHIP AGREEMENT THAT I JUST READ INTO THE
10 RECORD ON THE FIRST PARAGRAPH, NEITHER OF THOSE TWO
11 DOCUMENTS ARE INCLUDED IN THE DOCUMENTS THAT YOU
12 PRODUCED TO THE GOVERNMENT; IS THAT CORRECT?

13 A. THIS ONE? YOU MEAN THE ONE ON THE "I" PART?

14 Q. NO. WHAT I'M TALKING ABOUT IS THE ASENQUA
15 BETA FUND CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
16 IS NOT AMONG THE DOCUMENTS THAT YOU TURNED OVER TO
17 THE GOVERNMENT; IS THAT CORRECT?

18 A. IF IT'S NOT THERE, IT'S NOT THERE.

19 Q. OKAY. AND THE LIMITED PARTNERSHIP AGREEMENT
20 OF THE ASENQUA BETA FUND IS ALSO NOT THERE; IS THAT
21 CORRECT?

22 A. THAT'S CORRECT.

23 Q. OKAY. AND JUST FOR THE JURORS I WILL PUBLISH
24 THE FIRST PARAGRAPH. AND WHERE MY FINGER IS
25 POINTING, THIS IS THE PARAGRAPH I READ INTO THE

1 RECORD JUST A COUPLE OF MINUTES AGO; IS THAT
2 CORRECT?

3 A. YES.

4 Q. AND THIS IS THE PRIVATE PLACEMENT MEMO THAT I
5 JUST REFERRED TO; IS THAT CORRECT?

6 A. YES.

7 Q. AND THIS IS THE LIMITED PARTNERSHIP AGREEMENT,
8 RIGHT?

9 A. YES.

10 Q. OKAY. THANK YOU.

11 NOW, YOU TESTIFIED A LITTLE BIT EARLIER I
12 BELIEVE YOU GOT A BAD FEELING WHEN YOU TRIED TO
13 WITHDRAW YOUR SISTER'S MONEY AND YOUR MONEY OR YOUR
14 INVESTMENT I SHOULD SAY FROM THE FIRESIDE FUND AND
15 THE AQC FUND; IS THAT CORRECT?

16 A. CORRECT. I HAD A BAD FEELING. I WAS SO
17 AFRAID I MAY NOT GET MONEY BACK FOR MY SISTER.

18 Q. AND THE REASON WHY YOU GOT THE BAD FEELING WAS
19 THAT THE PROCESS OF WITHDRAWING THE MONEY WAS
20 DIFFERENT FROM HOW, WHAT YOU HAD EXPERIENCED DOING
21 WITH OTHER INVESTMENT FUNDS; IS THAT CORRECT?

22 A. CORRECT.

23 Q. OKAY. SO I THINK YOU MENTIONED OTHER FUNDS,
24 SO YOU BESIDES THE ASENQUA BETA FUND, AQC AND THE
25 FIRESIDE FUND, YOU HAD EXPERIENCE WITH OTHER

1 INVESTMENT FUNDS?

2 A. YES.

3 Q. OKAY. APPROXIMATELY HOW MANY?

4 A. RECENT YEARS?

5 Q. WELL --

6 A. LESS THAN FIVE.

7 Q. I'M SORRY WHAT I MEANT IS AT THE TIME THAT
8 THANK YOU WERE TRYING TO, THAT YOU FIRST MADE A
9 REQUEST TO WITHDRAW YOUR INVESTMENT FROM MR. HU, AT
10 THAT TIME YOU ALREADY HAD SOME EXPERIENCE WITH
11 INVESTMENT FUNDS, RIGHT?

12 A. YES.

13 Q. OKAY. AND WOULD THAT BE -- WOULD YOU SAY IT
14 WAS AROUND FIVE OR FEWER?

15 A. ABOUT FIVE OR FEWER.

16 Q. OKAY. BUT IT WAS MORE THAN, SAY, TWO? IF YOU
17 REMEMBER.

18 A. 1 OR 2. I SHOULD SAY I DON'T REMEMBER HOW
19 MANY.

20 Q. OKAY. FAIR ENOUGH.

21 NOW, I WANT TO TALK A LITTLE BIT ABOUT
22 THE AQC INVESTMENT THAT YOU MADE, THAT WAS AROUND
23 FEBRUARY 2007; IS THAT CORRECT?

24 A. THAT'S CORRECT.

25 Q. OKAY. AND AQC FUND WAS SOMETHING THAT YOUR

1 HUSBAND BROUGHT TO YOUR ATTENTION?

2 A. YES.

3 Q. AND YOU KNEW THAT YOUR HUSBAND WAS ACTUALLY
4 INVOLVED IN THE START OF THE AQC FUND; IS THAT
5 CORRECT?

6 A. NO.

7 Q. DID YOU HAVE ANY UNDERSTANDING ONE WAY OR THE
8 OTHER IF YOUR HUSBAND HAD ANYTHING TO DO WITH AQC
9 FUND?

10 A. NO. IF IT'S TO DO WITH AQC FUND, HE MAY TALK
11 ABOUT IT. I DIDN'T KNOW THAT'S RELATED TO AQC
12 FUND.

13 Q. DID YOU HAVE ANY KNOWLEDGE IF YOUR HUSBAND WAS
14 EVER A PARTNER IN THE AQC FUND?

15 A. NO.

16 Q. OKAY. DO YOU KNOW IF YOUR HUSBAND EVER
17 REPRESENTED HIMSELF AS THE -- AS A PARTNER IN AQC
18 FUND?

19 A. YOU MEAN AFTER WE INVESTED THE MONEY.

20 Q. WELL, AT ANY TIME, LET'S START THERE THEN WE
21 CAN WORK BACKWARDS.

22 A. NO.

23 Q. OKAY.

24 A. HE TALKED ABOUT ACTIVITIES BUT I DON'T KNOW
25 WHICH ACTIVITIES LINKED TO AQC OR LINKED TO ANY

1 OTHERS.

2 Q. WHEN YOU SAY ACTIVITIES WOULD YOU MIND
3 DESCRIBING FOR US WHAT YOU MEAN BY ACTIVITIES?

4 A. HE MAY TALK TO COMPANIES OR HE MAY INVEST --
5 INVESTIGATE THE COMPANY. THAT MEANS ACTIVITY. HE
6 TALKED TO MANY COMPANIES.

7 Q. OKAY. DO YOU KNOW IF YOUR HUSBAND, MICHAEL
8 CHUANG, DID HE EVER TRY TO MARKET AQC FUND TO
9 OTHERS?

10 A. HE PROBABLY DID THAT BECAUSE WE ALSO HAD OUR
11 INVESTMENT SAYING THAT HE WOULD REFER TO THEM, SAME
12 AS HE SHARED INFORMATION WITH ME OR I SHARE
13 INFORMATION WITH OTHERS.

14 Q. OKAY. DO YOU KNOW IF YOUR HUSBAND'S NAME EVER
15 APPEARED IN ANY ASENQUA POWER POINT PRESENTATIONS?

16 A. YES. HE ASKED TO PULL BACK, TO PULL OUT, AND
17 ASKED FOR MANY TIMES AND ALBERT DIDN'T PULL HIS
18 PICTURE OUT OR NAME, I DON'T KNOW.

19 Q. BUT HIS -- YOUR HUSBAND'S PICTURE WAS, AS FAR
20 AS YOU KNOW, WAS ON AN ASENQUA POWERPOINT
21 PRESENTATION, RIGHT?

22 A. I DIDN'T KNOW IF THAT'S A PICTURE OR WHAT. HE
23 JUST SAID HE REQUESTED ALBERT TO TAKE HIS NAME DOWN
24 SO MANY TIMES OR OVER YEARS. IT DIDN'T HAPPEN. SO
25 I DIDN'T KNOW ON WHAT CONTENT HIS NAME WAS LINKED

1 TO ASENQUA.

2 Q. DID -- AS FAR AS YOU KNOW DID YOUR HUSBAND
3 HAVE GO BUSINESS DEALINGS WITH ALBERT HU BESIDES
4 YOUR INVESTMENTS IN AQC AND ON YOUR SISTER'S BEHALF
5 IN ASENQUA BETA FUNDI YOUR HONOR, I OBJECT TO THE
6 QUESTION. IT'S CONFUSING.

7 THE WITNESS: I DON'T KNOW YOU ARE
8 SAYING. OH, SORRY.

9 THE COURT: CONFUSING IN WHAT SENSE?

10 MR. LUCEY: IF I FOLLOW THE QUESTION
11 CORRECTLY HE ASKED IF MR. -- IF MS. DOONG'S HUSBAND
12 HAD DEALINGS WITH MR. HU ASIDE FROM HIS DEALINGS IN
13 ASENQUA AND AQC.

14 I DIDN'T UNDERSTAND THE LANGUAGE. I
15 THINK I MISHEARD THE QUESTION.

16 MR. FONG: I WILL BE GLAD TO ASK ANOTHER
17 QUESTION.

18 THE COURT: ALL RIGHT.

19 BY MR. FONG:

20 Q. AS FAR AS YOU KNOW, DID YOUR HUSBAND EVER HAVE
21 ANY BUSINESS DEALINGS WITH MR. HU?

22 A. HE MET MR. HU BEFORE, SO I DON'T KNOW THE
23 CONTENT OF THEIR MEETING, SAME AS -- I HAVE TO PUT
24 IT THIS WAY, I WASN'T PUT ANY ATTENTION TO HIS
25 BUSINESS ACTIVITIES.

1 Q. ALL RIGHT. NOW, IN THE -- HAVE YOU EVER ASKED
2 YOUR HUSBAND, WHAT DO YOU KNOW -- WHAT HE KNEW
3 ABOUT MR. HU?

4 A. YES, WHEN HE BROUGHT UP THE BUSINESS
5 OPPORTUNITY.

6 Q. ALL RIGHT. AND BESIDES THAT, DID YOU -- AFTER
7 YOU MADE YOUR FIRST INVESTMENT IN, ON BEHALF OF
8 YOUR SISTER IN ASENQUA BETA FUND, DID YOU EVER ASK
9 YOUR HUSBAND WHAT WAS HIS EXPERIENCE, IF ANY, WITH
10 MR. HU?

11 A. NO. I CONSIDERED THAT AN INVESTMENT AND I
12 RECEIVED AN ACCOUNT BALANCE. UNLESS I WORRY ABOUT
13 THIS INVESTMENT, OTHERWISE WHY WOULD I TALK TO HIM
14 ABOUT MR. HU?

15 Q. WELL, IN LIGHT OF THE -- BUT YOU KNEW THAT
16 YOUR HUSBAND KNEW MR. HU?

17 A. YES.

18 Q. OKAY. IN LIGHT OF THE FACT THAT ON BEHALF OF
19 YOUR SISTER AND YOU COMBINED, YOU HAD OVER A
20 MILLION DOLLARS INVESTED WITH MR. HU, DID YOU EVER
21 ASK YOUR HUSBAND, HEY, WHAT IS YOUR EXPERIENCE WITH
22 MR. HU?

23 A. I MET MR. HU MYSELF.

24 Q. AGAIN, I'M SORRY BUT THAT'S --

25 A. AS AN INVESTOR. SO NO, I DIDN'T ASK HIM

1 SPECIFICALLY, WHAT DO YOU KNOW ABOUT MR. HU. I
2 THOUGHT HE TOLD ME WHAT HE KNEW ABOUT MR. HU WHEN
3 HE INTRODUCED ASENQUA BETA FUND TO ME.

4 Q. OKAY. SO AFTER THE INITIAL INTRODUCTION MADE
5 BY YOUR HUSBAND, DID YOU EVER ASK HIM AFTER THAT,
6 DID YOU EVER ASK YOUR HUSBAND ANYTHING ABOUT
7 MR. HU, ABOUT WHAT HU KNEW ABOUT MR. HU, I SHOULD
8 SAY?

9 A. NO, I DID NOT ASK HIM.

10 Q. OKAY. THANK YOU.

11 NOW, DID YOU KNOW WHEN YOU MADE YOUR
12 INVESTMENT IN AQC FUND IN FEBRUARY OF 2007, DID YOU
13 KNOW IF AQC FUND WAS A NEW FUND OR ONE THAT'S BEEN
14 AROUND FOREVER OR SOMEWHERE IN BETWEEN, DID YOU
15 KNOW THAT ONE WAY OR THE OTHER?

16 A. I THOUGHT IT WAS A BRAND-NEW FUND.

17 Q. IN FACT IT WAS A BRAND-NEW FUND, YOU
18 UNDERSTOOD THAT, RIGHT?

19 A. I THINK SO. BECAUSE THEY WANTED TO RAISE A
20 NEW FUND THAT'S WHAT HE BROUGHT UP.

21 Q. WHEN YOU SAY THEY, WHO ARE THEY?

22 A. I MEAN ALBERT HU, THAT'S WHY I SAY THEY.

23 Q. WAS YOUR HUSBAND ALSO TRYING TO RAISE THIS NEW
24 FUND WITH ALBERT HU?

25 A. NO, HE PROBABLY INTRODUCED TO OTHERS BUT NOT

1 RAISE THE FUND.

2 Q. BUT YOU KNEW BEFORE YOU MADE YOUR FIRST
3 INVESTMENT IN AQC FUND, THAT IT WAS A BRAND-NEW
4 FUND, RIGHT?

5 A. THAT WAS, I KNEW.

6 Q. AND YOU KNEW IT WAS, I THINK YOUR WORD WAS A
7 CONSERVATIVE FUND, RIGHT?

8 A. THAT'S -- THAT MAY NOT BE AS PROFITABLE AS THE
9 FIRESIDE OR ASENQUA BETA FUND.

10 Q. OKAY. YOU'VE ANSWERED MY NEXT QUESTION I WAS
11 GOING TO ASK YOU.

12 SO IN YOUR MIND YOU KNEW BEFORE YOU
13 INVESTED THAT AQC FUND WAS NOT LIKELY TO PRODUCE
14 THE SAME KIND OF RETURNS AS FIRESIDE OR ASENQUA
15 BETA FUND, RIGHT?

16 A. YES, I KNEW.

17 Q. AND YOU ALSO KNEW THAT OF COURSE AT THE TIME
18 THAT YOU ARE INVESTING IN THIS BRAND-NEW FUND, AQC
19 FUND AT THAT POINT DID NOT HAVE ANY TRACK RECORD OR
20 HISTORY OF PERFORMANCE; IS THAT CORRECT?

21 A. THAT'S CORRECT.

22 Q. OKAY. BUT -- OKAY.

23 NOW, YOU ALSO TALKED A LITTLE BIT
24 ABOUT --

25 A. THAT -- SORRY, CAN I SAY IT?

1 Q. I THINK YOU'VE ANSWERED MY LAST QUESTION, SO
2 I'M PERFECTLY FINE.

3 NOW, JUST ONE MOMENT, LET ME FIND THAT
4 PAGE. I'M GOING TO DIRECT YOUR ATTENTION TO -- BY
5 THE WAY, I'M SORRY.

6 DO YOU KNOW IF YOUR HUSBAND MET WITH
7 MR. HU ON MORE OCCASIONS THAN YOU HAD?

8 A. YES, BECAUSE WHEN MR. HU COME TO TAIPEI AND HE
9 WOULD LIKE TO MEET WITH US BUT I DON'T ATTEND EVERY
10 MEETING HE INVITED US.

11 Q. DO YOU KNOW IF YOUR HUSBAND --

12 A. AND ALSO --

13 Q. I'M SORRY. PLEASE.

14 A. ALSO, I HAVE OCCASION, I MET MR. HU AND I
15 DON'T THINK MY HUSBAND WAS PRESENT AS WELL.

16 Q. OKAY. THANK YOU FOR THAT CLARIFICATION. NOW,
17 DO YOU KNOW IF YOUR HUSBAND EVER MET WITH MR. HU IN
18 CALIFORNIA IN SUNNYVALE?

19 A. YES.

20 Q. DO YOU KNOW IF MR. -- IF YOUR HUSBAND EVER MET
21 WITH MR. HU IN SUNNYVALE WITH PEOPLE WHO WORKED
22 WITH MR. HU?

23 A. YES.

24 Q. ALL RIGHT. DO YOU KNOW IF YOUR HUSBAND EVER
25 MET MR. HU AT A RESTAURANT IN SUNNYVALE WITH STEVE

1 BOND?

2 A. NO.

3 Q. OKAY. SO YOU DON'T KNOW WHO WERE PRESENT,
4 RIGHT?

5 A. NO.

6 Q. OKAY. NOW, DIRECTING -- LET ME SHIFT GEARS
7 JUST ONE SECOND.

8 I'M GOING TO ASK YOU TO LOOK AT IN FRONT
9 OF YOU A PARTICULAR PAGE OF DOCUMENT THAT'S ALREADY
10 BEEN ADMITTED INTO EVIDENCE, AND I BELIEVE YOU
11 TESTIFIED ABOUT IS HAS THE BATES NUMBER OF
12 HU-00123A, AS IN APPLE. AND I WILL LET YOU HAVE A
13 MOMENT TO FIND THAT.

14 A. 0012 --

15 Q. 3A.

16 A. 123A.

17 Q. I BELIEVE IT'S PAGE 15 OF THE FIRESIDE
18 SUBSCRIPTION BOOKLET.

19 A. THE FIRESIDE SUBSCRIPTION BOOKLET.

20 THE COURT: SHOW HER WHAT YOU ARE LOOKING
21 AT.

22 MR. FONG: I'M SORRY?

23 THE COURT: WHY DON'T YOU SHOW HER WHAT
24 YOU ARE LOOKING AT.

25 Q. AND THIS IS THE PAGE THAT HAS -- IS ENTITLED

1 PARAGRAPH 12, LEGAL REPRESENTATION; WAIVER OF
2 CONFLICTS. DO YOU SEE THAT?

3 A. YES.

4 Q. NOW YOU TESTIFIED A LITTLE BIT EARLIER THAT
5 THIS PARAGRAPH OR THIS PAGE HAS SIGNIFICANCE TO
6 YOU, RIGHT?

7 A. WELL, FOR THE PART I READ, THAT I WAS ASKED TO
8 READ.

9 Q. OKAY. THE PROSKAUER ROSE LAW FIRM, RIGHT?

10 A. YES.

11 Q. AND I BELIEVE YOUR TESTIMONY AND PLEASE
12 CORRECT ME IF I'M WRONG, I BELIEVE YOUR TESTIMONY
13 WAS THAT YES, THIS IS IMPORTANT TO YOU BECAUSE THIS
14 WAY YOU FEEL PROTECTED?

15 A. YES.

16 Q. OKAY. NOW, DID YOU EVER READ THIS PARAGRAPH
17 BEFORE, BEFORE YOU AGREED TO SWITCH THE INVESTMENT,
18 YOUR SISTER'S ASENQUA FUND INTO THE FIRESIDE LS
19 FUND?

20 A. YES, I DID. I DON'T KNOW, HOW DOES THAT
21 REGISTER TO ME? I THOUGHT THAT WAS VERY STANDARD
22 BOOKLET FROM MOST OF THE FUND THEY WOULD INCLUDE
23 PARAGRAPH SUCH AS THIS.

24 Q. SURE. BUT YOU DO RECALL THOUGH READING THIS
25 SPECIFIC PARAGRAPH THOUGH, RIGHT?

1 A. YES, I READ THROUGH THE WHOLE BOOKLET.

2 Q. OKAY. I FULLY UNDERSTAND YOUR RECOLLECTION IS
3 YOU READ THROUGH THE WHOLE BOOKLET. MY QUESTION IS
4 A LITTLE BIT MORE SPECIFIC, IF I MAY.

5 DO YOU HAVE A SPECIFIC RECOLLECTION ONE
6 WAY OR THE OTHER IF YOU READ PARAGRAPH 12?

7 A. YES.

8 Q. OKAY.

9 NOW, I WANT TO PUBLISH PARAGRAPH 12, AND
10 PLEASE FEEL FREE TO READ FROM YOUR PAGE. MAY I
11 TROUBLE YOU WHEN YOU HAVE YOUR ORIENTATION, CAN YOU
12 READ THE FIRST SENTENCE OF PARAGRAPH 12 FOR ME.

13 A. THE FIRST SENTENCE?

14 Q. YES, PLEASE.

15 A. THE INVESTOR UNDERSTANDS THAT PROSKAUER ROSE
16 LLP HAS BEEN ENGAGED TO ACT AS LEGAL COUNSEL TO THE
17 FUND, THE INVESTMENT MANAGER, THE ORDINARY
18 SHAREHOLDER, AND THE MASTER FUND, COLLECTIVELY THE
19 FUND AFFILIATED GROUP.

20 Q. OKAY. CAN YOU READ THE NEXT SENTENCE.

21 A. PROSKAUER HAS NOT BEEN ENGAGED TO PROTECT OR
22 REPRESENT THE PARTICIPATING SHARES OF ANY
23 SHAREHOLDER WITH REGARD TO THE FUND AFFILIATED
24 GROUP OR THE PREPARATION OF THIS SUBSCRIPTION,
25 AGREEMENT AND NO OTHER LEGAL COUNSEL HAS BEEN

1 ENGAGED BY THE FUND AFFILIATED GROUP TO ACT IN SUCH
2 CAPACITY.

3 Q. OKAY. IS IT YOUR UNDERSTANDING WHEN YOU READ
4 THIS PARTICULAR PARAGRAPH THAT THE PARAGRAPH WAS
5 INTENDED TO ASK YOU AS AN INDIVIDUAL INVESTOR TO
6 WAIVE ANY POSSIBLE CONFLICT OF INTEREST ABOUT AN
7 ATTORNEY REPRESENTING MORE THAN ONE PARTY?

8 A. NO.

9 Q. OKAY. BUT YOU DID READ IT?

10 A. I DID READ IT BUT I DIDN'T SEE IT THAT WAY.

11 Q. LET ME ASK YOU, WHAT IS YOUR UNDERSTANDING
12 ABOUT THE TERM WAIVER OF CONFLICTS, HAVE YOU EVER
13 SEEN THAT PHRASE BEFORE?

14 A. YES, BUT NOT IN THE LEGAL CONTENT.

15 Q. OKAY. WHAT WAS YOUR EXPERIENCE IN TERMS OF
16 ANOTHER CONTEXT? WHAT WAS YOUR UNDERSTANDING OF
17 THE WAIVER OF CONFLICT?

18 A. WHEN THERE'S A CONFLICT INTEREST AMONG THE
19 PARTIES, IT DOESN'T INVOLVE WHEN THERE'S CONFLICT
20 AMONG PARTIES. THAT'S WHAT I UNDERSTAND.

21 Q. OKAY?

22 THE COURT: LET'S TAKE A RECESS FOR
23 15 MINUTES.

24 MR. FONG: SURE.

25 THE COURT: COUNSEL IF YOU WOULD HANG ON

1 FOR A MOMENT.

2 (WHEREUPON, THE FOLLOWING PROCEEDINGS
3 WERE HELD OUT OF THE PRESENCE OF THE JURY:)

4 THE COURT: HOW MUCH MORE DO YOU HAVE,
5 MR. FONG?

6 MR. FONG: NOT A LOT MORE, MAYBE ABOUT 3,
7 4, 5 MINUTES.

8 THE COURT: OH, OKAY.

9 ALSO, WHILE I'M THINKING ABOUT IT, I
10 NOTICED THERE ARE FORFEITURE ALLEGATIONS, WHAT DID
11 YOU INTEND TO DO WITH RESPECT TO THOSE?

12 MR. FAZIOLI: I DIDN'T THINK -- IT'S NOT
13 OUR INTENTION TO PRESENT THE FORFEITURE IN THIS
14 CASE IN CHIEF.

15 THE COURT: OKAY. I JUST -- I DIDN'T
16 KNOW WHETHER YOU HAD SOME AGREEMENT AMONG COUNSEL
17 OR WHAT. I JUST --

18 MR. FAZIOLI: I UNDERSTAND. I APPRECIATE
19 ARE RAISING IT FOR OUR ATTENTION. WE WILL CONFER
20 WITH DEFENSE COUNSEL ABOUT THE FORFEITURE
21 ALLEGATIONS.

22 MR. FONG: THANK YOU, YOUR HONOR.

23 THE COURT: OKAY.

24 (WHEREUPON A RECESS WAS TAKEN.)

25 THE COURT: ALL RIGHT.

1 MR. FONG?

2 MR. FONG: JUST A COUPLE MORE QUESTIONS.

3 Q. DO YOU KNOW IF YOUR HUSBAND EVER RECEIVED ANY
4 KIND OF MONEY FROM THE -- FROM ANY ASENQUA ENTITIES
5 TO REIMBURSE HIM FOR TRAVEL EXPENSES?

6 A. YES, FOR REIMBURSE FOR TRAVEL. I THINK HE
7 TRAVELLED WITH WHOEVER THEN GET THE REIMBURSEMENT.

8 Q. DO YOU UNDERSTAND -- DO YOU KNOW IF YOUR
9 HUSBAND RECEIVED THE REIMBURSEMENT PAYMENTS FROM
10 ASENQUA FOR TRAVELS HE DID ON BEHALF OF ASENQUA?

11 A. YES, I THINK HE WENT TO KOREA OR SOME PLACE
12 ONCE. YES, HE DID TRAVEL.

13 Q. HE DID TRAVEL, BUT MY QUESTION IS, DO YOU KNOW
14 IF THE REASON THAT ASENQUA WAS REIMBURSING YOUR
15 HUSBAND FOR HIS TRAVEL EXPENSES WAS THAT HE WAS
16 TRAVELLING FOR ASENQUA BUSINESS?

17 A. I KNEW HE TRAVELLED FOR ASENQUA -- WITH ALBERT
18 HU PROBABLY TO KOREA ONCE OR TWICE. I DON'T KNOW.
19 I DON'T REMEMBER. AND IF HE TRAVELLED THEN HE GET
20 REIMBURSEMENT.

21 I DIDN'T KNOW EXACTLY WHEN OR HOW HE GOT
22 REIMBURSEMENT, I ASSUME HE TRAVELLED AND HE SHOULD
23 ENTITLED TO GET REIMBURSEMENT. HE DIDN'T TELL ME
24 OF THAT PARTICULAR ASPECT.

25 Q. BUT YOU UNDERSTOOD IF YOUR HUSBAND WAS

1 TRAVELLING WITH, SAY, ALBERT HU ON VACATION FOR
2 EXAMPLE, HE PROBABLY WOULD NOT GET REIMBURSED BY
3 ASENQUA FOR TRAVELLING WITH MR. HU, RIGHT?

4 A. IF IT'S FOR -- I DON'T THINK IT'S FOR HIMSELF.
5 HE TRAVELLED WITH ALL THE OTHER PEOPLE IF THEY ASK
6 FOR HIS HELP, HE TRAVELLED WITH THEM TO HELP OUT.

7 Q. SO YOUR UNDERSTANDING -- I APOLOGIZE I
8 INTERRUPT YOU, I APOLOGIZE. PLEASE.

9 A. NO, I'M JUST SAYING HE DID THAT WITH MANY
10 OTHER ACTIVITIES, NOT ONLY WITH ALBERT HU. IF
11 THERE'S SOMETHING THAT AN INVESTOR OR FRIENDS OR
12 COMPANY THAT REQUIRED HIS ASSISTANCE AND HE AGREED
13 TO, HE TRAVELLED WITH THEM.

14 Q. SO YOUR UNDERSTANDING IS THAT WHEN HE WAS
15 TRAVELLING WITH ALBERT HU HE WAS TRAVELLING TO HELP
16 ALBERT; IS THAT CORRECT?

17 A. YES.

18 Q. OKAY. AND THAT'S WHY ASENQUA WAS REIMBURSING
19 YOUR HUSBAND FOR HIS TRAVEL EXPENSES; IS THAT
20 CORRECT?

21 A. I DIDN'T KNOW ASENQUA REIMBURSE HIM HIS TRAVEL
22 EXPENSES. BUT I ASSUMED HE'S NOT GOING TO PAY HIS
23 WAY TO THE TRAVEL.

24 Q. I GUESS MY QUESTION TO YOU IS DO YOU KNOW IF
25 ASENQUA EVER PAID TO YOUR HUSBAND ANY REIMBURSEMENT

1 FOR TRAVEL EXPENSES FOR TRAVELLING WITH MR. HU?

2 A. I DIDN'T KNOW. I DID NOT KNOW EXACTLY. I DID
3 NOT KNOW. I KNEW HE TRAVELLED WITH ALBERT HU.

4 Q. BUT YOU KNEW THAT HE TRAVELLED WITH MR. HU BUT
5 YOU DO NOT KNOW EVEN AS YOU SIT HERE IF ASENQUA
6 EVER PAID TO YOUR HUSBAND ANY REIMBURSEMENT
7 PAYMENTS FOR TRAVELLING WITH MR. HU; IS THAT
8 CORRECT?

9 A. IT'S CORRECT. I DID NOT KNOW. BUT I THINK HE
10 SHOULD GET TRAVELLING EXPENSE REIMBURSED.

11 Q. NOW, I'M GOING TO DIRECT YOUR ATTENTION TO
12 GOVERNMENT EXHIBIT -- BATES NUMBER HU001026A, AS IN
13 APPLE. AND I WILL SHOW THE DOCUMENT SO THAT
14 PERHAPS THAT MIGHT HELP. IN FACT, I WILL LET YOU
15 JUST WORK OFF OF THAT DOCUMENT IF THAT'S OKAY.

16 NOW, THAT'S THE DOCUMENT, THAT'S A
17 RECEIPT OR ACKNOWLEDGEMENT THAT ON JULY 2ND, 2004,
18 THAT ASENQUA RECEIVED \$200,000 OF INVESTMENT, THE
19 FIRST INVESTMENT THAT YOU MADE ON BEHALF OF YOUR
20 SISTER, RIGHT?

21 A. THAT'S CORRECT.

22 Q. AND THAT'S THE DOCUMENT THAT CONTAINS THE TWO
23 SIGNATURES THAT YOU TESTIFIED TO EARLIER, ANTHONY
24 POLLACE AND ALBERT HU, RIGHT?

25 A. THAT'S CORRECT.

1 Q. AND THIS IS REGARDING THE -- ACKNOWLEDGING THE
2 RECEIPT OF A WIRE PAYMENT ON JULY 2ND, 2004, RIGHT?

3 A. RIGHT.

4 Q. OKAY. AND THIS STATEMENT IN FACT IS DATED
5 JULY 2ND, 2004, RIGHT?

6 A. YES.

7 Q. OKAY. NOW, BEFORE YOU SENT IN THE MONEY, THE
8 \$200,000 ON BEHALF OF YOUR SISTER, HAVE YOU EVER
9 HEARD OF THE NAME ANTHONY POLLACE BEFORE?

10 A. NO.

11 Q. AND BEFORE YOU SENT IN THE \$200,000 THAT'S
12 REFLECTED IN THE EXHIBIT THAT WE ARE PUBLISHING
13 HERE, BEFORE YOU SENT IN THE MONEY HAD YOU EVEN
14 HEARD OF ANTHONY POLLACE BEFORE?

15 A. NO.

16 Q. OKAY. AT THAT TIME YOU SENT IN THE FIRST
17 \$200,000 ON BEHALF OF YOUR SISTER YOU HAD NO IDEA
18 WHO ANTHONY POLLACE WAS, RIGHT?

19 A. CORRECT.

20 Q. OKAY. THANK YOU. NOW YOU TESTIFIED EARLIER
21 THAT YOU, OF COURSE, HAVE BEEN ACTING ON BEHALF OF
22 YOUR YOUNGER SISTER, YU-MEI DOONG, RIGHT?

23 IS THAT A YES, I'M SORRY.

24 A. YES.

25 Q. BUT YOU ARE NOT YU-MEI DOONG'S TRUSTEE, ARE

1 YOU? LET ME ASK YOU, ARE YOU YU-MEI DOONG'S
2 TRUSTEE?

3 A. DEFINE TRUSTEE. I'M NOT SURE I'M --

4 Q. SURE. ARE YOU AWARE THERE IS A TRUST DOCUMENT
5 A LEGAL TRUST DOCUMENT APPOINTING YOU AS A TRUSTEE
6 ON BEHALF OF YOUR SISTER YU-MEI DOONG?

7 A. WELL, WE HAD A NOTARIZED DOCUMENT WITH
8 AMERICAN INSTITUTE IN TAIWAN THAT YU-MAI DOONG
9 ENTRUST ME TO HANDLE ALL HER FINANCIAL INVESTMENTS
10 ABROAD.

11 Q. OKAY. AND THIS WAS NOT A DOCUMENT THAT'S
12 INCLUDED IN THE LIST OF DOCUMENTS YOU TURNED OVER
13 TO THE GOVERNMENT; IS THAT CORRECT?

14 A. THAT'S CORRECT.

15 Q. OKAY.

16 MR. FONG: THANK YOU VERY MUCH FOR YOUR
17 PATIENCE. I APPRECIATE IT.

18 THE COURT: ANYTHING FURTHER?

19 MR. LUCEY: VERY BRIEF, YOUR HONOR.

20

21 **REDIRECT EXAMINATION BY MR. LUCEY**

22

23 BY MR. LUCEY:

24 Q. GOOD AFTERNOON, MS. DOONG.

25 A. GOOD AFTERNOON.

1 Q. I JUST HAVE A COUPLE OF QUICK FOLLOW UP
2 QUESTIONS FOR YOU REGARDING THE TOPICS MR. FONG HAD
3 COVERED.

4 FIRST, YOU RECALL MR. FONG DURING HIS
5 QUESTIONING OF YOU HAD ASKED YOU ABOUT WHAT
6 DOCUMENTS YOU HAD REVIEWED AND REFERRED TO AND
7 RELIED ON PRIOR TO MAKING THE FIRST INVESTMENT?

8 A. YES.

9 Q. ON BEHALF OF YOUR SISTER IN JULY 2004?

10 A. YES.

11 Q. AND YOU HAD MADE A REFERENCE TO, YOU HAD SEEN
12 DOCUMENTS REGARDING A NATURE OF PRIOR PERFORMANCE?

13 A. YES.

14 Q. BY THE ASENQUA BETA FUND?

15 A. YES.

16 Q. IN COMPARISON TO MARKET RETURNS?

17 A. YES.

18 Q. DO YOU HAVE AN UNDERSTANDING OR RECOLLECTION
19 AS TO WHO, WHAT PERSON PREPARED THAT DOCUMENT YOU
20 WERE REFERRING TO IN REGARDS TO RETURNS?

21 A. WHAT PERSON PREPARED?

22 Q. YES, IF YOU KNOW.

23 A. ALBERT HU'S OFFICE.

24 Q. ALSO, SEPARATELY NOW, MS. DOONG, ANOTHER
25 TOPIC. DO YOU RECALL EARLIER WHEN MR. FONG WAS

1 QUESTIONING YOU HE WAS ASKING YOU ABOUT SOME OF THE
2 CONVERSATIONS YOU HAD WITH YOUR HUSBAND?

3 A. YES.

4 Q. IN REGARD TO THE INITIAL, WHEN YOU INITIALLY
5 LEARNED ABOUT MR. HU?

6 A. YES.

7 Q. AND YOU HAD I THINK STARTED TO GIVE AN ANSWER
8 REGARDING WHAT YOU HAD HEARD ABOUT WHAT YOUR
9 HUSBAND TOLD YOU ABOUT MR. HU'S CREDENTIALS?

10 A. YES.

11 Q. COULD YOU COMPLETE YOUR ANSWER ON THAT FOR US?

12 A. HE IS MIT, PHD. WAS A PROFESSOR AT SAN JOSE
13 UNIVERSITY, AND HAD SOME SUCCESSFUL BUSINESS. I
14 DON'T REMEMBER THE NAME.

15 Q. OKAY.

16 A. QUITE A FEW. AND HE MAKE LECTURES IN TAIWAN,
17 IN CHINA, ALSO IN SOME UNIVERSITY HERE.

18 Q. NOW, AGAIN, ANOTHER TOPIC NOW, MS. DOONG.

19 YOU RECALL THERE WERE SOME QUESTIONS THAT
20 MR. FONG WAS ASKING YOU ABOUT YOUR AWARENESS OF THE
21 DATABASES AND WEBSITES REGARDING STATE OF
22 CALIFORNIA THAT, WHETHER OR NOT YOU KNEW ABOUT THE
23 STATE OF CALIFORNIA MAINTAINING ANY WEBSITES OR
24 DATABASES RELATIVE TO ACCOUNTING FIRMS AND
25 ACCOUNTANTS? DO YOU REMEMBER THOSE QUESTIONS?

1 A. YES.

2 Q. I JUST WANT TO CLARIFY YOUR ANSWER IN REGARD
3 TO A QUESTION JUST SO WE ARE CLEAR IN TERMS OF THE
4 QUESTIONS YOU GAVE AND ANSWERS YOU GAVE TO MR. FONG
5 EARLIER IN RESPONSE TO HIS QUESTIONS.

6 WERE YOU AWARE AT THE TIME -- OR DID YOU
7 HAVE ANY PERSONAL KNOWLEDGE AS TO WHETHER OR NOT
8 THE CASTILLO, LYN, COHEN & VIJAY FIRM, THE
9 ACCOUNTING FIRM YOU LOOKED AT IN EXHIBIT 63 EARLIER
10 TODAY, DID YOU HAVE ANY PERSONAL KNOWLEDGE AT THAT
11 TIME YOU REVIEWED THE DOCUMENT AS TO WHETHER OR NOT
12 THEY HAD A LICENSE TO PRACTICE ACCOUNTANCY IN THE
13 STATE OF CALIFORNIA?

14 A. NO. I THOUGHT THEY HAD A LICENSE.

15 Q. OKAY. AND ALSO IN RESPONSE TO A QUESTION, I
16 JUST WANT TO BE CLEAR FOR THE RECORD, THE ANSWER I
17 HAVE WRITTEN DOWN I WANT TO BE CLEAR OF WHAT YOUR
18 TESTIMONY ON.

19 AGAIN, ON THE CASTILLO, LYN, COHEN &
20 VIJAY TOPIC, MS. DOONG, DO YOU HAVE ANY PERSONAL
21 KNOWLEDGE CONFIRMING THAT THE CASTILLO, LYN NUMBERS
22 WERE CORRECT OR INCORRECT IN THE EXHIBIT 63 WE
23 LOOKED AT TODAY?

24 A. NO. CAN YOU REPEAT THE QUESTION?

25 Q. YES. I THINK YOU TESTIFIED SEVERAL TIMES

1 TODAY THAT YOU DID REVIEW THAT CASTILLO, LYN, COHEN
2 & VIJAY AUDITING REPORT, CORRECT?

3 A. THAT'S CORRECT.

4 Q. DID YOU HAVE ANY PERSONAL KNOWLEDGE CONFIRMING
5 THE ACCURACY OF THE NUMBERS THEMSELVES OTHER THAN
6 YOUR REVIEW OF THEM, DO YOU HAVE ANY PERSONAL
7 KNOWLEDGE REGARDING THEIR ACCURACY?

8 A. NO, JUST COUNT ON THE DATA I SAW.

9 Q. JUST BASED ON YOUR REVIEW OF IT?

10 A. BELIEVING IT'S TRUE.

11 Q. YOU UNDERSTOOD THOSE NUMBERS TO BE CORRECT?

12 A. YES.

13 Q. AGAIN, ANOTHER TOPIC NOW, MS. DOONG.

14 DO YOU RECALL THERE WAS DISCUSSION TODAY
15 REGARDING THE PROCESS OF WITHDRAWING MONEY FROM THE
16 ASENQUA BETA FUND AND THE FIRESIDE FUND AND
17 MR. FONG HAD QUESTIONS REGARDING THAT.

18 A. YES.

19 Q. MY QUESTION TO YOU NOW, TO THE BEST OF YOUR
20 RECOLLECTION, DID YOU FOLLOW ALL THE INSTRUCTIONS
21 THAT MR. HU GAVE TO YOU IN REGARD TO WITHDRAWING
22 YOUR MONEY FROM -- YOU AND ON BEHALF OF YOUR SISTER
23 IN THE FIRESIDE FUND AND THE AQC FUND?

24 A. DILIGENTLY, YES.

25 Q. TO THE BEST OF YOUR ABILITY?

1 A. YES.

2 Q. WERE THERE ANY INSTRUCTIONS THAT MR. HU GAVE
3 TO YOU THAT YOU CHOSE NOT TO FOLLOW?

4 A. NO.

5 Q. AGAIN, ANOTHER TOPIC NOW. YOU RECALL THERE
6 WERE SOME QUESTIONS ASKED BY MR. FONG IN REGARD TO
7 YOUR UNDERSTANDING ABOUT THE BACKGROUND AND TRACK
8 RECORD OF AQC PRIOR TO YOUR INVESTING?

9 A. YES.

10 Q. WHAT DID YOU UNDERSTAND WOULD HAPPEN TO YOUR
11 MONEY THE \$300,000 YOU INVESTED ONCE IT WAS
12 PROVIDED TO MR. HU IN CONNECTION WITH THE AQC FUND?

13 A. BASED ON THE PERFORMANCE OF ASENQUA BETA AND
14 ALSO THE FIRESIDE FUND, I ASSUMED AND I FELT THAT
15 IT WOULD OFFER ME A POSITIVE GAIN IN THE FUTURE.

16 Q. LET ME ASK THE QUESTION A DIFFERENT WAY,
17 MS. DOONG.

18 WHAT DID YOU UNDERSTAND WAS GOING TO BE
19 THE NATURE OF THE INVESTMENT IN TERMS OF THE
20 INVESTMENT PROCESS IN REGARD TO AQC? HOW WAS IT
21 GOING TO BE INVESTED, WHAT TYPE OF INVESTMENT --
22 WHAT WAS YOUR UNDERSTANDING IT WAS GOING TO BE
23 GOING TOWARD IN REGARD TO AQC?

24 A. I DON'T UNDERSTAND THE QUESTION. YOU MEAN
25 INVESTING IN WHAT FIELD, WHAT INDUSTRY?

1 Q. EXACTLY.

2 A. IN THE HIGH-TECH INDUSTRY.

3 Q. OKAY. AND THAT WAS GOING TO BE IN EQUITIES,
4 STOCKS?

5 A. YES.

6 Q. OKAY.

7 MR. LUCEY: JUST A MOMENT, YOUR HONOR. I
8 THINK WE ARE JUST ABOUT DONE.

9 NO FURTHER QUESTIONS, YOUR HONOR

10 THE COURT: ALL RIGHT.

11 YOU MAY STEP DOWN. THANK YOU.

12 THE WITNESS: SHOULD I LEAVE THIS HERE?

13 THE COURT: YES.

14 MR. LUCEY: I WILL COLLECT THAT,
15 YOUR HONOR.

16 THE COURT: CALL YOUR NEXT WITNESS,
17 PLEASE.

18 MR. FAZIOLI: THE UNITED STATES CALLS
19 ANDREA DULBERG.

20

21 **ANDREA DULBERG,**

22 BEING CALLED AS A WITNESS ON BEHALF OF THE

23 PLAINTIFF, HAVING BEEN FIRST DULY SWORN, WAS

24 EXAMINED AND TESTIFIED AS FOLLOWS:

25 THE WITNESS: YES, I DO.

1 THE CLERK: THANK YOU. TAKE THE STAND,
2 PLEASE. FOR THE RECORD PLEASE STATE YOUR FULL NAME
3 AND SPELL YOUR LAST NAME.

4 THE WITNESS: ANDREA DULBERG.
5 D-U-L-B-E-R-G.
6

7 **DIRECT-EXAMINATION BY MR. FAZIOLI**

8
9 BY MR. FAZIOLI:

10 Q. GOOD AFTERNOON, MS. DULBERG.

11 WHERE DO YOU CURRENTLY LIVE?

12 A. IN PURCHASE, NEW YORK.

13 Q. ARE YOU CURRENTLY EMPLOYED?

14 A. YES, I AM.

15 Q. WHERE ARE YOU EMPLOYED?

16 A. AT GLOBEOP FINANCIAL SERVICES.

17 Q. WHAT IS YOUR -- IS YOUR ORGANIZATION ALSO
18 KNOWN AS GLOBEOP FINANCIAL SERVICES LLC?

19 A. YES IT IS.

20 Q. AND WHAT IS YOUR POSITION AT GLOBEOP?

21 A. I'M GENERAL COUNSEL.

22 Q. AND HOW LONG HAVE YOU BEEN IN THIS POSITION?

23 A. SIX YEARS.

24 Q. AND CAN YOU PLEASE DESCRIBE FOR THE JURY YOUR
25 DUTIES AS GENERAL COUNSEL OF GLOBEOP?

1 A. I OVER SEE THE WHOLE LEGAL AND COMPLIANCE
2 FUNCTION AT THE COMPANY. I HAVE A STAFF OF LAWYERS
3 AND PARALEGALS REPORTING TO ME. I ADVISE ON ANY
4 SORT OF LEGAL ISSUES RELATES TO GLOBEOP.

5 WE HAVE BEEN A PUBLIC COMPANY SINCE 2007
6 I DEAL WITH PUBLIC COMPANY ISSUES, I ADVISE ON ANY
7 LEGAL ISSUES THAT COME UP WITH CLIENTS AND ON
8 COMPLIANCE MATTERS RELATING TO CLIENTS.

9 Q. APPROXIMATELY HOW MANY ATTORNEYS AND
10 PARALEGALS REPORT TO YOU?

11 A. ABOUT TEN.

12 Q. AND WHAT IS THE GENERAL -- WHAT KIND OF
13 BUSINESS IS GLOBEOP?

14 A. WE ARE A HEDGE FUND ADMINISTRATOR AND WE ALSO
15 PROVIDE MIDDLE AND BACK OFFICES TO HEDGE FUND --
16 PRIMARILY HEDGE FUNDS.

17 Q. WHAT SORT OF ADMINISTRATIVE SERVICES DOES
18 GLOBEOP PROVIDE TO HEDGE FUNDS?

19 A. AS AN ADMINISTRATOR WE WOULD CALCULATE THE
20 FUNDS AND ASSET VALUE AT THE END OF EACH MONTH. WE
21 WOULD DO, KEEP THE REGISTER OF INVESTORS FOR THE
22 FUND, DO THE ANTI MONEY LAUNDERING CHECKS ON
23 INVESTORS WHO WERE INVESTING INTO THE FUND.

24 Q. WHAT DOES IT MEAN TO CALCULATE A NET NET ASSET
25 VALUE FOR A HEDGE FUND?

1 A. YOU TAKE THE HEDGE FUNDS INVESTING IN
2 DIFFERENT ASSETS YOU TAKE THE VALUES OF EACH OF
3 THOSE ASSETS ADD THEM TOGETHER CALCULATE THEN GET A
4 FULL ASSET VALUE FOR THE FUND ITSELF UPON. THEN DO
5 THE BREAKDOWN OF INVESTOR BASED ON THEIR
6 INVESTMENTS OF THE FUND.

7 Q. GENERALLY, JUST IN CASE THE JURORS DO NOT
8 KNOW, WHAT IS A HEDGE FUND?

9 A. A HEDGE FUND IS A POOL OF INVESTORS POOLING
10 MONEY TOGETHER TO MAKE INVESTMENTS, NOT DISSIMILAR
11 FROM REGULAR MUTUAL FUND OTHER THAN BY REGULATION,
12 IT TENDS TO BE LIGHTLY REGULATED.

13 Q. AND WHERE -- WHAT OFFICE ARE YOU BASED OUT OF?

14 A. I'M IN HARRISON, NEW YORK.

15 Q. DOES GLOBEOP HAVE A PROMINENT REPUTATION IN
16 THE HEDGE FUND INDUSTRY?

17 A. YES, WE DO.

18 Q. AND IS GLOBEOP'S PUBLIC REPUTATION IMPORTANT
19 TO ITS BUSINESS?

20 A. YES, IT'S VERY IMPORTANT.

21 Q. WHY IS GLOBE OP'S PUBLIC REPUTATION IMPORTANT
22 TO ITS BUSINESS?

23 A. IN ORDER FOR CLIENTS, THE INVESTMENT MANAGERS
24 TO RETAIN US AND HIRE US AND FOR INVESTORS TO BE
25 COMFORTABLE INVESTING INTO FUNDS THAT USE US AS

1 ADMINISTRATOR WE HAVE TO KEEP OUR REPUTATION
2 STELLAR.

3 Q. AND WHAT IS THE PROCESS BY WHICH A HEDGE FUND
4 WOULD RETAIN THE SERVICES OF GLOBEOP?

5 A. GENERALLY IT STARTS WITH OUR SALES TEAM WHO
6 WOULD SPEAK WITH DIFFERENT PROSPECTS DEPENDING ON
7 IF IT'S AN EXISTING FUND OR A NEW START UP FUND,
8 THEIR FIRST GENERALLY IS WITH OUR SALES TEAM.

9 ONCE THEY ARE COMFORTABLE WITH THE
10 PRICING WITH THE SERVICES THAT THEY WANT, THERE
11 WILL BE AN OFFER LETTER THAT IS DRAFTED AND GOES
12 OUT TO THE CLIENT.

13 WHEN THE CLIENT SIGNS THAT OFFER LETTER,
14 THAT WILL GET LOADED INTO OUR SYSTEM AND THAT WILL
15 START THE CONTRACT PROCESS, THE LEGAL TEAM TAKE
16 THAT IS OFFER LETTER THEN CREATES A DRAFT OF THE
17 CONTRACT THAT WE WILL ASK THE CLIENT TO SIGN.

18 Q. AND I THINK YOU MENTIONED SIGNING A CONTRACT.

19 ARE THERE IMPORTANT -- ARE THERE
20 ACCOUNTING REASONS RELATED TO WHY IT'S IMPORTANT TO
21 SIGN A CONTRACT BEFORE YOU START PROVIDING SERVICES
22 TO A CLIENT?

23 A. YES. GENERALLY, WE CANNOT RECOGNIZE REVENUES
24 FROM A CLIENT UNLESS WE HAVE A SIGNED CONTRACT IN
25 PLACE. SO WE HAVE A POLICY REQUIRING THE CONTRACT

1 BE SIGNED.

2 ON OCCASION, AN EXCEPTION WILL BE MADE
3 FOR A SHORT TIME PERIOD. IF THEY NEED ADDITIONAL
4 TIME TO REVIEW THE TERMS OF THE CONTRACT, SINCE WE
5 CAN'T RECOGNIZE REEF NEWS UNDER THE ACCOUNTING
6 ROLES UNTIL WE HAVE A SIGNED CONTRACT, IT'S
7 CRITICAL AND GETS ESCALATED IN THE FIRM.

8 Q. WHEN YOU SAY RECOGNIZED REVENUE, WHAT DO YOU
9 MEAN BY THAT?

10 A. IT MEANS WE CAN'T COUNT ON IT. IF WE HAVE
11 PROVIDE THE THE SERVICES THAT MONTH HAVE BEEN WE
12 HAVE INVOICED THE CLIENT FOR THE SERVICES THEY HAVE
13 PAID IT, UNLESS WE HAVE A SIGNED CONTRACT THAT
14 SHOWS WE WERE ENTITLED TO THAT INCOME FROM THE
15 CLIENT WE CAN'T RECOGNIZE IT INTO OUR INCOME.

16 Q. AND IS THAT PART OF THE REASON WHY IT'S
17 IMPORTANT FOR GLOBEOP TO HAVE ACCURATE RECORDS OF
18 ITS CLIENTS?

19 A. ABSOLUTELY ALL OUR CONTRACTS ARE LOADED IN OUR
20 DATABASE.

21 Q. DOES YOUR ORGANIZATION AGREE TO PROVIDE
22 SERVICES TO EVERY POTENTIAL HEDGE FUND WHO WANTS TO
23 HIRE GLOBEOP?

24 A. NO.

25 Q. WHY NOT?

1 A. IT COULD VARY IN REASON FROM THE FUND JUST
2 BEING TOO SMALL WE DON'T THINK IT HAS POTENTIAL TO
3 BE PROFITABLE FOR US, THE FUND HAS TO BE OF A
4 CERTAIN SIZE TO ACTUALLY BE PROFITABLE FOR US IT'S
5 A CERTAIN AMOUNT OF SERVICES THAT WE HAVE TO DO
6 REGARDLESS WHEN WE GET PAID BASED ON THE SIZE OF
7 THE FUND.

8 SO WE HAVE TO -- EITHER IT HAS TO BE
9 LAUNCHING WITH SIGNIFICANT ENOUGH ASSETS OR HAVE
10 THE POTENTIAL TO GROW TO BE SIGNIFICANT. BUT IN
11 ADDITION, WE HAVE -- WE DO DUE DILIGENCE ON ALL ARE
12 OF OUR PROSPECTIVE CLIENTS BEFORE THEY CAN COME ON
13 THE FLAT FORM.

14 WE HAVE REGULATORY REQUIREMENTS THAT'S
15 KNOWN AS KYC, WHICH IS KNOW YOUR CUSTOMER. SO WE
16 WILL REQUIRE REFERENCES FROM PROCEDURAL CLIENTS FOR
17 BOTH THE ENTITIES IF THEY HAVE A HISTORY, BUT ALSO
18 THE PRINCIPLES OF THE INVESTMENT MANAGER.

19 Q. SO THERE'S A VETTING PROCESS THAT GLOBEOP DOES
20 WITH ITS PROSPECTIVE CLIENTS?

21 A. YES.

22 Q. AND I THINK YOU MENTIONED KYC. CAN YOU
23 EXPLAIN A LITTLE MORE TO THE JURY WHAT KYC
24 REQUIREMENTS ARE?

25 A. YES. IT MEANS YOU HAVE TO KNOW THE CUSTOMERS,

1 KNOW WHAT THEIR BACKGROUND IS. AND GENERALLY ALSO
2 IT'S A CLIENT IN WHICH YOU ARE TAKING MONEY FROM
3 YOU HAVE TO KNOW THE SOURCE OF THOSE FUNDS WHERE
4 IT'S COMING FROM.

5 Q. WHAT COULD BE SOME OF THE RISK TO GLOBEOP IF
6 IT WAS AFFILIATED WITH A DISREPUTABLE HEDGE FUND?

7 A. REPUTATIONALLY IT WOULD BE POTENTIALLY VERY
8 BAD FOR THE FIRM. ANY TIME YOU KNOW THERE'S
9 NEGATIVE PUBLICITY INVOLVED WITH A CLIENT OF OURS
10 IT HURTS US TREMENDOUSLY IN TERMS OF BRINGING IN
11 NEW CLIENTS, GETTING INVESTORS TO BE COMFORTABLE
12 INVESTING IN FUNDS OR FOR GLOBEOP AS THE
13 ADMINISTRATOR.

14 Q. AND THAT IS IN PART OF THE MOTIVATION FOR YOUR
15 PRACTICES REGARDING VETTING CLIENTS?

16 A. YES.

17 Q. I THINK YOU PREVIOUSLY MENTIONED THAT AS PART
18 OF REGULAR PRACTICES OF ITS BUSINESS THAT GLOBEOP
19 KEEPS RECORDS ABOUT ITS CLIENTS, CORRECT?

20 A. THAT'S RIGHT.

21 Q. AND IS THAT RETAINED CLIENTS OR ALSO
22 PROSPECTIVE CLIENTS?

23 A. WE KEEP GENERALLY WE HAVE A VERY THOROUGH
24 DOCUMENT SYSTEM FOR THE CLIENTS THAT LAUNCH ON OUR
25 PLATFORM.

1 PROSPECTIVE CLIENTS THAT WE WOULD KEEP A
2 SALES FORCE SYSTEM WHICH IS SOFTWARE THAT THE SALES
3 TEAM USES TOO KEEP TRACK OF ITS PROSPECTS IT TRACKS
4 COMMUNICATIONS WITH ALL PROSPECTS.

5 SO PROSPECTIVE CLIENTS THAT NEVER BECOME
6 CLIENTS WOULD STILL BE ON THAT SYSTEM.

7 Q. DOES GLOBEOP ENTER THE NAMES OF ACTUAL AND
8 PROSPECTIVE CLIENTS INTO ITS DATABASES AT OR NEAR
9 THE TIME THAT THOSE ACTUAL OR PROSPECTIVE CLIENTS
10 APPROACH THE FIRM?

11 A. YES, FROM FIRST COMMUNICATION.

12 Q. AND WHAT HAPPENS IN A HEDGE FUND CLIENT WERE
13 TO NO LONGER BE A CLIENT OF GLOBEOP WOULD YOU STILL
14 MAINTAIN RECORDS INDICATING THAT THERE HAD BEEN A
15 CLIENT RELATIONSHIP INTERNALLY?

16 A. IF THEY WERE A CLIENT HAD SIGNED A CONTRACT
17 AND THEN TERMINATED WITH US?

18 Q. YES.

19 A. ABSOLUTELY.

20 Q. OKAY. AND DOES GLOBEOP GENERALLY MAKE
21 AVAILABLE TO THE PUBLIC THE FACT THAT IT HAS
22 CERTAIN HEDGE FUND CLIENTS?

23 A. NO, NOT GENERALLY.

24 Q. IS THAT FOR REASONS OF CONFIDENTIALITY AND
25 OTHER THINGS?

1 A. YES GENERALLY OUR CLIENTS AND OUR CONTRACTS
2 WITH OUR CLIENTS OUR CLIENTS GENERALLY REQUIRE
3 CONFIDENTIALITY INCLUDING THE FACT WE ARE THE
4 ADMINISTRATOR FOR THE FUND.

5 Q. HAVE YOU EVER DIRECTED A SEARCH EVER GLOBEOP
6 CLIENT RECORDS TO SEE WHETHER THE DEFENDANT ALBERT
7 HU, VARIOUS ASENQUA REPORTED ENTITIES OR VARIOUS
8 FIRESIDE RELATED ENTITIES HAD EVER RETAINED GLOBEOP
9 AS AN ADMINISTRATOR?

10 A. YES, WE DID.

11 Q. AND WHEN DID YOU CONDUCT THIS SEARCH?

12 A. SOMETIME IN 2009.

13 Q. AND DO YOU RECALL WHAT WERE SOME OF THE SEARCH
14 TERMS FOR WHICH YOU SEARCHED?

15 A. ALBERT HU, ASENQUA, FIRESIDE, AND ASSORTED
16 OTHER LEGAL ENTITIES THAT WERE NAMES THAT WERE
17 PROVIDED TO ME.

18 Q. INCLUDING FIRESIDE LS FUND?

19 A. YES.

20 Q. DID YOU FIND ANY RECORDS THAT INDICATED THAT
21 GLOBEOP HAD EVER BEEN RETAINED OR APPROACHED TO BE
22 RETAINED TO SERVE AS AN ADMINISTRATOR FOR ALBERT
23 HU, IT IS ASENQUA BETA FUND, FIRESIDE LS FUND, AQC,
24 OR ANY OTHER ENTITY ASSOCIATED WITH THE DEFENDANT?

25 A. NO.

1 Q. DO YOU THINK THAT YOU WOULD HAVE FOUND SUCH
2 RECORDS IF ALBERT HU THE FIRESIDE LS FUND OR ANY
3 OTHER ENTITY AFFILIATED WITH HIM HAD EVER ENGAGED
4 GLOBEOP AS AN ADMINISTRATOR?

5 A. YES.

6 MR. FONG: OBJECTION. SPECULATION.

7 THE COURT: OVERRULED.

8 BY MR. FAZIOLI:

9 Q. LET ME APPROACH WHAT'S BEEN MARKED AS
10 GOVERNMENT EXHIBIT 12. IF YOU COULD PLEASE TAKE A
11 LOOK AT GOVERNMENT EXHIBIT 12.

12 A. IS THERE A SPECIFIC PAGE.

13 Q. THE FIRST PAGE. HAVE YOU REVIEWED GOVERNMENT
14 EXHIBIT 12?

15 A. NOT BEFORE TODAY. WHILE I WAS WAITING
16 SOMEBODY SHOWED ME THE DOCUMENT OR SIMILAR
17 DOCUMENT, BUT I HADN'T BEFORE TODAY.

18 Q. CAN YOU PLEASE INDICATE WHAT IT STATES THE
19 FIRST TWO LINES, THE FIRST PAGE OF GOVERNMENT
20 EXHIBIT 12?

21 A. PURSUANT TO AN EXEMPTION.

22 Q. THAT'S A TITLE AT THE TOP?

23 A. FIRESIDE LS FUND CONFIDENTIAL PLACEMENT
24 MEMORANDUM.

25 Q. CAN PLEASE READ THE TEXT AT THE BOTTOM FOUR

1 LINES OF TEXT NEAR THE MIDDLE?

2 A. FIRESIDE PARTNERS LLC, GENERAL PARTNER,
3 FIRESIDE CAPITAL MANAGEMENT LIMITED INVESTMENT
4 MANAGER, THE DATE OF THIS MEMORANDUM IS JUNE 30,
5 2005.

6 Q. LET ME DRAW YOUR ATTENTION TO PAGE, I THINK
7 IT'S -- JUST A MOMENT. PAGE NINE OF THIS DOCUMENT.
8 IT'S BATES STAMPED AT THE BOTTOM HU00148?

9 A. YES.

10 Q. AND DO YOU SEE THAT THERE'S A LINE THERE THAT
11 INDICATES ADMINISTRATOR DO YOU SEE THAT?

12 A. YES, I DO.

13 MR. FAZIOLI: YOUR HONOR, AT THIS TIME
14 WITHOUT AN OBJECTION FROM THE DEFENSE, I WOULD LIKE
15 TO PUBLISH THIS PAGE OF EXHIBIT 12 TO THE JURY.

16 MR. FONG: NO OBJECTION, YOUR HONOR.

17 THE COURT: ALL RIGHT.

18 Q. SO THIS DOCUMENT GOVERNMENT EXHIBIT 12 IS
19 ENTITLED A CONFIDENTIAL PRIVATE PLACEMENT
20 MANAGEMENT FOR THE FIRESIDE LS FUND CORRECT?

21 A. YES.

22 Q. SO DRAWING YOUR ATTENTION HERE TO PAGE 9 OF 40
23 OF THIS DOCUMENT, CAN YOU SEE THAT THERE'S --
24 MS. BURNEY, WOULD YOU MIND BLOWING UP THE SECTION
25 AUDITORS AND THE TEXT NEXT TO THAT.

1 MS. DULBERG, WHAT DOES THAT TEXT SAY NEXT
2 TO THE WORD AUDITORS

3 A. CASTILLO, LYN, COHEN & VIJAY LLC.

4 Q. THEN, MS. BURNEY COULD YOU PLEASE BLOW UP THE
5 NEXT SECTION WHERE IT SAYS ADMINISTRATOR.

6 CAN YOU READ THE HIGHLIGHTED TEXT THAT
7 SAYS ADMINISTRATOR WITHIN GOVERNMENT EXHIBIT 12

8 A. GLOBEOP FINANCIAL SERVICES LLC, THE
9 ADMINISTRATOR, HAS BEEN RETAINED BY THE FUND AND
10 THE MASTER FUND TO PERFORM DAY-TO-DAY
11 ADMINISTRATIVE AND BOOKKEEPING SERVICES AND TO
12 SERVE AS REGISTRAR AND TRANSFER AGENTS.

13 Q. THAT STATEMENT THAT'S HIGHLIGHTED THERE IN
14 GOVERNMENT EXHIBIT 12, IS THIS A FALSE STATEMENT?

15 A. YES, IT'S FALSE.

16 Q. HOW DO YOU KNOW THAT THAT STATEMENT IN
17 GOVERNMENT EXHIBIT 12 IS A FALSE STATEMENT?

18 A. BECAUSE I CHECKED OUR SYSTEMS AND WE HAVE NO
19 RECORD OF THE FIRESIDE LS FUND IN ANY OF OUR
20 DATABASES AND WE HAVE NO CONTRACT ON FILE FOR THEM.

21 MR. FAZIOLI: I HAVE NO FURTHER
22 QUESTIONS, YOUR HONOR.

23 THE COURT: MR. FONG, ANY QUESTIONS?

24 MR. FONG: NO QUESTIONS, YOUR HONOR.

25 THE COURT: ALL RIGHT.

1 YOU MAY BE EXCUSED.

2 YES?

3 MR. LUCEY: YOUR HONOR, THE GOVERNMENT
4 NEXT CALLS MARK SZTO THE STAND.

5 THE CLERK: COME FORWARD AND I WILL SWEAR
6 YOU IN.

7 **MARK SZTO,**
8 BEING CALLED AS A WITNESS ON BEHALF OF THE
9 PLAINTIFF, HAVING BEEN FIRST DULY SWORN, WAS
10 EXAMINED AND TESTIFIED AS FOLLOWS:

11 THE WITNESS: YES.

12 THE CLERK: TAKE THE STAND OVER THERE,
13 PLEASE. FOR THE RECORD PLEASE STATE YOUR FULL NAME
14 AND SPELL YOUR LAST NAME.

15 THE WITNESS: MARK SZTO. S-Z-T-O.

16

17 **DIRECT-EXAMINATION BY MR. LUCEY**

18

19 BY MR. LUCEY:

20 Q. GOOD AFTERNOON, SIR.

21 A. GOOD AFTERNOON.

22 Q. SIR, WHERE DO YOU CURRENTLY RESIDE?

23 A. WORK?

24 Q. WHERE DO YOU LIVE?

25 A. FREMONT, CALIFORNIA.

1 Q. HOW LONG HAVE YOU LIVED THERE?

2 A. OVER 20 YEARS.

3 Q. AND SIR, WHERE ARE YOU CURRENTLY EMPLOYED?

4 A. REGIS.

5 Q. HOW LONG HAVE YOU BEEN EMPLOYED WITH REGIS?

6 A. FIVE YEARS.

7 Q. WHAT IS YOUR JOB TITLE AT REGIS?

8 A. AREA OPERATIONS DIRECTOR.

9 Q. WHAT ARE YOUR JOB DUTIES IN GENERAL TERMS?

10 A. I OVER SEE THE SAN FRANCISCO BAY AREA AS FAR
11 AS THE CENTERS WE OPERATE.

12 Q. AND SO NEXT OBVIOUS QUESTION WOULD BE WHAT IS
13 REGIS?

14 A. WE OFFER BUSINESS SOLUTIONS, OFFICE SPACE
15 MEETING ROOMS CONFERENCE ROOMS.

16 Q. AND WHERE DO YOU PROVIDE THOSE SERVICES?

17 A. ALL OVER THE WORLD.

18 Q. SO IT'S A WORLDWIDE COMPANY?

19 A. YES.

20 Q. AND DID REGIS OVER THE YEARS EVER HAVE ANY
21 CONNECTION TO AN ENTITY CALLED HQ GLOBAL WORK
22 PLACE?

23 A. YES.

24 Q. WHAT IS THAT RELATIONSHIP?

25 A. WE ACQUIRED THEM SO THEY ARE PART OF OUR

1 COMPANY.

2 Q. SO HOW LONG AGO DID THAT ACQUISITION TAKE
3 PLACE?

4 A. I DON'T KNOW EXACTLY IT HAPPENED BEFORE I
5 STARTED WITH THE COMPANY.

6 Q. YOU STARTED THERE APPROXIMATELY WHAT YEAR?

7 A. 2007.

8 Q. AND WHAT KIND OF SERVICES DOES THE HQ GLOBAL
9 PART OF REGIS PROVIDE TO CLIENTS?

10 A. IT'S THE SAME.

11 Q. OKAY. SO IN GENERAL TERMS YOU SAID IT'S
12 BUSINESS SERVICES, COULD YOU BE MORE SPECIFIC ABOUT
13 THE NATURE OF THE SERVICES THAT REGIS PROVIDES TO
14 ITS CLIENTS?

15 A. SURE. WE OFFER FULL TIME OFFICE SPACE. SO
16 CLIENTS CAN TAKE SPACE OR FULL TIME SPACE. THEY
17 CAN TAKE A VIRTUAL OFFICE WHICH IS MORE OF A
18 PRESENCE, THEY DON'T HAVE THE OFFICE SPACE BUT THEY
19 HAVE THE ADDRESS THEN THEY HAVE MAILBOX PRODUCTS
20 WHERE THEY HAVE PRODUCTS MAIL THE TO THE CENTERS
21 THEN WE HAVE VIDEO CONFERENCES MEETING ROOMS AND
22 BUSINESS LOUNGES.

23 Q. SO THERE'S A LEVEL OF SERVICES THAT REGIS CAN
24 PROVIDE TO POTENTIAL AND ACTUAL CLIENTS?

25 A. CORRECT.

1 Q. CAN YOU SPEAK MORE TO WHAT YOU MEAN BY VIRTUAL
2 OFFICE?

3 A. SURE. WHAT THAT IS IS A CLIENT OR ANYONE
4 PURCHASING THAT PRODUCT CAN HAVE AN ADDRESS WHERE
5 WE CAN ANSWER THEIR PHONES COLLECT THEIR MAIL.
6 THEY DO -- WE PROVIDE THEM WITH OFFICE TIME SO IF
7 THEY WANTED TO USE THE BUSINESS CENTER THEIR
8 ADDRESS IS AT, THEY CAN USE THAT AND THEY HAVE
9 ACCESS TO THE LOUNGES.

10 Q. AND DOES REGIS MAINTAIN ANY PROPERTIES IN THE
11 CITY OF SAN FRANCISCO?

12 A. YES.

13 Q. AND PRIOR TO IT BECOMING PART OF REGIS DID HQ
14 GLOBAL MAINTAIN SUCH OFFICE SERVICES IN THE CITY OF
15 SAN FRANCISCO?

16 A. YES.

17 Q. WAS ONE OF THOSE PROPERTIES EMBARCADERO
18 CENTER?

19 A. YES.

20 Q. NOW IN REGARD TO THE NATURE OF THE
21 RECORDKEEPING SYSTEM, ARE YOU FAMILIAR WITH THE
22 RECORDKEEPING SYSTEM AND DATABASE FOR REGIS?

23 A. WHEN YOU SAY RECORDKEEPING, COULD YOU
24 ELABORATE.

25 Q. SURE. DOES REGIS MAINTAIN RECORDS REGARDING

1 SERVICES IT PROVIDES TO CLIENTS?

2 A. YES.

3 Q. WHO ENTER INTO AGREEMENT?

4 A. YES.

5 Q. WHAT SORT OF RECORDS DO THEY MAINTAIN IN
6 GENERAL TERMS?

7 A. THE AGREEMENTS THEMSELVES WHEN A CLIENT SIGNS.

8 Q. AND IS THAT PART OF THE REGULAR BUSINESS
9 PRACTICE OF THE FIRM?

10 A. YES.

11 Q. DO THEY ALSO MAINTAIN RECORDS OF INVOICES AS
12 WELL?

13 A. WE DO.

14 Q. AND HOW ARE THESE CLIENT RECORDS MAINTAINED?

15 A. WELL, WE HAVE A BILLING DEPARTMENT IN DALLAS
16 SO THEY ARE MOSTLY RETAINED THERE.

17 Q. SIR, WERE YOU AT SOME POINT CONTACTED BY THE
18 GOVERNMENT TO CONDUCT A RECORDS SEARCH IN REGARD TO
19 RECORDS RELATING TO SPACES FOR CASTILLO, LYN, COHEN
20 & VIJAY?

21 A. I WASN'T CONTACTED BY THEM DIRECTLY.

22 Q. WAS YOUR COMPANY REGIS CONTACTED?

23 A. YES.

24 Q. DO YOU UNDERSTAND THAT A SEARCH WAS ACTUALLY
25 CONDUCTED?

1 A. THAT'S MY UNDERSTANDING.

2 Q. I WANT TO SHOW YOU SOME DOCUMENTS NOW, SIR.
3 THEY HAVE BEEN PREVIOUSLY MARKED AS GOVERNMENT
4 EXHIBIT'S 19, 20 AND 21.

5 Q. SIR, TAKE A MOMENT TO LOOK AT THE THREE
6 DOCUMENTS 19, 20 AND 21.

7 Q. SO FIRST TAKING THEM IN NUMERICAL ORDER, WHAT
8 ARE WE LOOKING AT FIRST IN GENERAL TERMS WITHOUT
9 READING THE DOCUMENT, WHAT IS THE DOCUMENT IN
10 EXHIBIT 19?

11 A. IT'S AN AGREEMENT FOR VIRTUAL OFFICE.

12 Q. AND HOW ARE YOU ABLE TO RECOGNIZE THIS
13 DOCUMENT?

14 A. WELL, IT'S TITLED THAT.

15 Q. OKAY. WHERE DID THIS DOCUMENT COME FROM, AS
16 YOU UNDERSTAND IT?

17 A. IT CAME FROM THE CENTER.

18 Q. AND THE CENTER WHEN YOU SAY CENTER, WHAT DO
19 YOU MEAN BY CENTER?

20 A. THE LOCATION.

21 Q. THE LOCATION FOR WHERE THE LEASE IS CONNECTED
22 TO?

23 A. YES, WHERE THE PERSON SIGNED FOR IT'S
24 LOCATION.

25 Q. AND THE REFERENCE ON THE SECOND PAGE OF THE

1 DOCUMENT WHICH IS BATES STAMPED 229-A. DO YOU SEE
2 THE LETTERHEAD AT THE RIGHT-HAND CORNER?

3 A. YES.

4 Q. FOR HQ DO YOU RECOGNIZE THAT PART OF THE
5 DOCUMENT?

6 A. YES.

7 MR. LUCEY: YOUR HONOR, AT THIS POINT THE
8 GOVERNMENT WOULD MOVE EXHIBIT 19 INTO EVIDENCE.

9 MR. FONG: NO OBJECTION.

10 THE COURT: 19 IS RECEIVED.

11 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER 19 HAVING
12 BEEN PREVIOUSLY MARKED FOR IDENTIFICATION, WAS
13 ADMITTED INTO EVIDENCE.)

14 BY MR. LUCEY:

15 Q. NOW SIR, IF YOU COULD PLEASE TURN YOUR
16 ATTENTION TO EXHIBITS 20 AND 21. HAVE YOU SEEN
17 THESE DOCUMENTS BEFORE?

18 A. YES.

19 Q. WHAT ARE THESE DOCUMENTS 19 AND 20, IN GENERAL
20 TERMS?

21 A. INVOICES FOR SERVICES.

22 Q. FOR SERVICES RENDERERS TO WHOM?

23 A. TO CASTILLO, LYN, COHEN & VIJAY.

24 Q. AND WHAT'S ON THE -- THESE ARE RECORDS
25 PRODUCED BY WHAT, BY YOUR COMPANY?

1 A. YES.

2 MR. LUCEY: YOUR HONOR, AT THIS POINT THE
3 GOVERNMENT WOULD MOVE EXHIBITS 20 AND 21 INTO
4 EVIDENCE.

5 MR. FONG: NO OBJECTION.

6 THE COURT: ALL RIGHT. THEY ARE
7 RECEIVED.

8 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER 20 AND 21
9 HAVING BEEN PREVIOUSLY MARKED FOR IDENTIFICATION,
10 WERE ADMITTED INTO EVIDENCE.)

11 BY MR. LUCEY:

12 Q. NOW AT THIS POINT MS. BURNEY, IF YOU COULD
13 PUBLISH EXHIBIT 19 THE FIRST PAGE OF EXHIBIT 19 FOR
14 THE BENEFIT OF THE JURY.

15 I WOULD LIKE TO WALK THROUGH THE DOCUMENT
16 NOW. I WOULD ASK NOW AT THE VERY TOP PORTION OF
17 THE DOCUMENT FOR THE THE FIRST DARK BLACK LINE IF
18 THAT COULD BE BLOWN UP FOR THE BENEFIT OF ALL.

19 SO SIR, WHAT IS THIS DOCUMENT SAY AT THE
20 TITLE OF THE DOCUMENT, THE VERY TOP IN THE BLACK?

21 A. IT SAYS HQ AGREEMENT TO THE LEFT THEN VIRTUAL
22 OFFICE, VIRTUAL OFFICE PLUS AND TELEPHONE ANSWERS.

23 Q. THEN IMMEDIATELY BELOW IF YOU COULD NOW BLOW
24 UP THE PORTION READING PRODUCT OF INTEREST.

25 THERE SEEMS TO BE A SERIES OF DIFFERENT

1 BOXES HERE, WHAT ARE THOSE IN REFERENCE TO?

2 A. THE DIFFERENT PRODUCTS THAT A PERSON WANTS TO
3 SIGN UP FOR.

4 Q. THESE WERE THE ONES YOU WERE TALKING ABOUT
5 EARLIER TODAY?

6 A. CORRECT.

7 Q. THE LEVELS OF SERVICE AT THAT POINT HQ COULD
8 PROVIDE?

9 A. RIGHT.

10 Q. IS THAT A SIMILAR TYPE OF SERVICE THAT REGIS
11 STILL PROVIDES TO ITS CLIENTS?

12 A. YES.

13 Q. COULD YOU WALK US THROUGH WHAT THESE MEAN
14 MAILBOX PLUS TELEPHONE ANSWERS VIRTUAL OFFICE
15 VIRTUAL OFFICE PLUS?

16 A. SURE.

17 Q. WHAT DOES MAILBOX PLUS MEAN?

18 A. IT BASICALLY MEANS IT'S AN ADDRESS THAT A
19 PERSON CAN HAVE MAIL DELIVERED TO OR SENT TO.

20 Q. THEY HAVE NO ACTUAL OFFICE SPACE IN THE
21 KNOWLEDGE?

22 A. NO.

23 Q. IS IT FAIR TO CALL IT ALMOST LIKE A P.O. BOX?

24 A. SIMILAR.

25 Q. HOW ABOUT NOW TELEPHONE ANSWERS WHAT DOES THAT

1 MEAN?

2 A. THAT IS WHERE WE PROVIDE A NUMBER A PHONE
3 NUMBER FOR THE CLIENT SO THEY CAN HAVE OR PASS IT
4 OUT LIKE ON A BUSINESS CARD, WE PROVIDE IT TO OUR
5 CLIENTS SO WE CAN CALL IT AND ANSWER THE PHONE FOR
6 THEM.

7 Q. DOES THAT MEAN THEY HAVE A TELEPHONE DESK THEY
8 CAN GO TO IN THE BUILDING?

9 A. NO, WE ACTUALLY TRANSFER THE CALLS TO WHEREVER
10 THEY WANT TO, HOME, CELL PHONE.

11 Q. IT'S A PASS THROUGH IN A WAY?

12 A. I GUESS SO, YEAH.

13 Q. NEXT WE HAVE VIRTUAL OFFICE.

14 A. YES.

15 Q. WHAT DOES THAT MEAN?

16 A. SO THAT'S A PRODUCT THAT PROVIDES NOT ONLY THE
17 MAILBOX SERVICE ALONG WITH THE TELEPHONE ANSWERING
18 BUT IT ALSO PROVIDES THE PERSON TIME IN THE OFFICE
19 OR THE LOCATION, THEY HAVE A CERTAIN AMOUNT OF
20 HOURS, ON HERE IT STATES 16 HOURS OF OFFICE USAGE
21 THAT THEY CAN HAVE. THAT'S PART OF THE ACTUAL
22 PRODUCT.

23 Q. AND THEN THE LAST ONE, LAST BOX APPEARS TO SAY
24 VIRTUAL OFFICE PLUS?

25 A. CORRECT. IT'S THE SAME BUT IT OFFERS

1 ADDITIONAL OFFICE TIME.

2 Q. THAT WOULD BE THE HIGHEST LEVEL OF SERVICE?

3 A. IN THIS PRODUCT.

4 Q. THAT WAS PROVIDED AT THE TIME?

5 A. CORRECT.

6 Q. IS THAT STILL THE SAME TODAY?

7 A. YES, IT IS.

8 Q. OKAY.

9 NEXT MS. BURNEY, IF YOU COULD BLOW UP THE
10 NEXT PORTION OF THE DOCUMENT.

11 SIR, WHAT ARE WE NOW LOOKING AT HERE ON
12 THIS PART OF THE DOCUMENT?

13 A. THIS IS THE INFORMATION ABOUT THE CLIENT.

14 Q. SO THIS IS WHO IS MAKING IT, THE LEASE
15 AGREEMENT WITH HQ?

16 A. CORRECT.

17 Q. AND WHAT'S THE COMPANY NAME LISTED THERE?

18 A. CASTILLO, LYN, COHEN & VIJAY.

19 Q. NOW, DO YOU HAVE AN UNDERSTANDING OF WHO IS
20 FILLING OUT THE DOCUMENT. YOU WEREN'T PRESENT WHEN
21 THE DOCUMENT WAS FILLED OUT?

22 A. NO, I WASN'T.

23 Q. IN YOUR EXPERIENCE HOW GENERALLY IS THIS TYPE
24 OF AGREEMENT DOCUMENT FILMED OUT?

25 MR. FONG: OBJECTION. LACKS FOUNDATION.

1 SPECULATION.

2 THE COURT: YOU HAVE TO LAY SOME
3 FOUNDATION THAT HE HAS KNOWLEDGE OF IT.

4 MR. LUCEY: SURE.

5 Q. WHAT'S YOUR UNDERSTANDING OF HOW THE
6 AGREEMENTS WORK, ARE THE FORMS PROVIDED TO
7 POTENTIAL CLIENTS?

8 A. YES, THEY ARE.

9 Q. AND THEN WHAT HAPPENS AT THAT POINT?

10 A. IT COULD BE ONE OF TWO THINGS. THE PERSON WHO
11 WORKS FOR REGIS CAN FILL IT OUT FOR THE CLIENT BY
12 ASKING THE QUESTIONS OF THE CLIENT OR THE CLIENT
13 CAN FILL IN THE INFORMATION.

14 Q. OKAY. THEN NOW MS. BURNEY, IF YOU COULD
15 ENLARGE THE NEXT PORTION OF THE DOCUMENT WHERE IT
16 SAYS CENTER DETAILS.

17 WHAT'S THIS IN REFERENCE TO NOW, SIR?

18 A. THIS IS WHERE THE CLIENT WOULD CHOOSE THE
19 LOCATION WHERE THEY WANT TO HAVE THEIR ADDRESS.

20 Q. OKAY. AND FAIR TO SAY THERE'S A NUMBER OF
21 ADDRESSES THEY CAN CHOOSE FROM?

22 A. YES. THEY CAN HAVE MULTIPLE ADDRESSES IF THEY
23 CHOSE.

24 Q. THIS PARTICULAR 11 EMBARCADERO CENTER, SUITE
25 500, SAN FRANCISCO CALIFORNIA 94111. THAT'S THE

1 PARTICULAR LOCATION CHOSEN FOR THIS AGREEMENT?

2 A. YES.

3 Q. WHAT'S THE REFERENCE THERE TO MONTHLY FEE AND
4 RETAINER?

5 A. SO THE MONTHLY FEE IS WHAT IT COSTS FER MONTH
6 THAT WE WOULD CHARGE THE PERSON FOR USE OF THAT.
7 THE RETAINER IS TYPICALLY TWO TIMES THE MONTHLY
8 FEE.

9 Q. NOW GOING DOWN, MS. BURNEY, IF YOU COULD TURN
10 YOUR ATTENTION NOW TO ENLARGING THE VERY BOTTOM
11 PORTION OF THE DOCUMENT WHERE IT SAYS PROGRAM
12 DETAILS.

13 AND SIR, WHAT IS THIS PART OF THE
14 DOCUMENT IN REGARD TO?

15 A. SO, THEY CAN CHOOSE THE TERM OF THE AGREEMENT,
16 IN THIS CASE THERE ARE 12 MONTHS AND 3 MONTHS SO
17 THEY CHOSE 12 MONTHS ACCORDING TO THIS.

18 Q. WHAT'S THAT REFERENCE TO MONTHLY PAYMENT AT
19 THE VERY RIGHT BOTTOM LEFT-HAND CORNER?

20 A. THAT'S WHAT THEY WOULD PAY EACH MONTH.

21 Q. THEN THERE'S ALSO INITIAL PAYMENT AS WELL?

22 A. RIGHT. THAT INCLUDES THE RETAINER AND THEIR
23 FIRST MONTH.

24 Q. AND WHAT'S THE TERM OF THIS PARTICULAR
25 AGREEMENT TERMS OF THE START AND END DATE?

1 A. THE START DATE WOULD BE JUST WHEN IT STARTED,
2 THE ACTUAL DATE. THEN WHEN IT ENDED -- IS THAT
3 WHAT YOU ARE REFERRING TO THE LENGTH OF THE
4 AGREEMENT.

5 Q. YES. WHAT'S THE START DATE BASED ON THIS
6 AGREEMENT?

7 A. THIS ONE SAYS AUGUST 1ST, 2006.

8 Q. WHAT'S THE END DATE, SIR?

9 A. JULY 31ST, 2007.

10 Q. NOW MS. BURNEY, IF WE COULD TURN TO THE NEXT
11 DOCUMENT EXHIBIT 19, 229.

12 AND MS. BURNEY, IF YOU COULD ENLARGE THE
13 SECTION IN THE MIDDLE THERE WHICH READS PREFERRED
14 METHOD OF PAYMENT.

15 ACTUALLY BEFORE WE GET TO THAT LET ME DO
16 THE BOTTOM PORTION FIRST WHERE IT SAYS HQ USE ONLY.

17 SIR, WHAT'S THIS IN REFERENCE TO HERE,
18 THIS PORTION THAT'S ON THE SCREEN NOW?

19 A. THE MANAGER OR THE PERSON AT THE TIME THAT WAS
20 REPRESENTING THIS, THEY WOULD FILL OUT THE
21 INFORMATION TO VERIFY WHO FILLED OUT THE FORM.

22 Q. AND DO YOU KNOW WHO MS. COOK IS?

23 A. YES.

24 Q. IS SHE STILL EMPLOYED WITH REGIS?

25 A. YES, SHE IS.

1 Q. SO DOES THAT INDICATE THAT SHE WAS INVOLVED IN
2 THE PROCESS OF THIS DOCUMENT?

3 A. YES.

4 Q. NOW CAN I TURN YOUR ATTENTION NOW TO EXHIBITS
5 20 AND 21 AND WE CAN PUBLISH THOSE TO THE JURY.

6 AND SIR, WHAT ARE THESE TWO DOCUMENT IT
7 IS WE ARE LOOKING AT SIDE BY SIDE, EXHIBITS 20 AND
8 21?

9 A. THESE ARE INVOICES FOR THE CLIENT.

10 Q. SO LET'S TAKE 20 FIRST, EXHIBIT 20. IF YOU
11 COULD ENLARGE THE TOP OF THE DOCUMENT.

12 AND ON THE LEFT-HAND CORNER OF THE
13 DOCUMENT, SIR, WHAT'S THAT A REFERENCE TO,
14 CASTILLO, LYN, COHEN & VIJAY? DO YOU SEE THAT ON
15 THE TOP LEFT CORNER?

16 A. YES.

17 Q. WHAT ADDRESS IS LISTED THERE BELOW IS THAT THE
18 ADDRESS?

19 A. IT'S 788 LAHOYA DRIVE LOS GATOS, CALIFORNIA
20 94024.

21 Q. COULD YOU READ THAT AGAIN, SIR?

22 A. SURE. WHY DON'T YOU REFER TO THE PAPER
23 DOCUMENT IF YOU NEED TO. 788 LAHOYA DRIVE, LOS
24 ALTOS, CALIFORNIA, 94024.

25 Q. THEN IF YOU COULD ALSO ENLARGE THE DATE

1 PORTION OF THE DOCUMENT, MS. BURNEY, JUST ON THE
2 RIGHT SIDE, THANK YOU.

3 WHAT'S THE DATE OF THIS INVOICE, SIR?

4 A. ON THE BOTTOM? THE INVOICE, EXCUSE ME. IT'S
5 11-17-2004.

6 Q. OKAY. THROUGH WHAT PERIOD?

7 A. 12-1-2004.

8 Q. OKAY. THEN NOW TURNING TO EXHIBIT 21.

9 SIR, DO YOU SEE THAT ADDRESS THERE LISTED
10 ON THE SCREEN?

11 A. YES.

12 Q. THIS IS THE SAME NAME AND ADDRESS YOU LOOKED
13 AT BEFORE, CORRECT?

14 A. YES.

15 Q. THEN TURNING IF YOU COULD NOW BLOW UP THE DATE
16 PORTION OF THE DOCUMENT.

17 WHAT'S THE INVOICE DATE OF THIS DOCUMENT?

18 A. I BELIEVE THAT'S 6-14-2007.

19 Q. THROUGH I GUESS THE DUE DATE OF 7-1-2007?

20 A. CORRECT.

21 Q. NOW TURNING BACK TO EXHIBIT 19?

22 THE COURT: HOW MUCH MORE DO YOU HAVE?

23 MR. LUCEY: THREE MINUTES, YOUR HONOR.

24 THE COURT: IF YOU CAN HOLD IT TO THREE
25 MINUTES.

1 YOUR HONOR, TURNING TO YOUR HONOR AND THE
2 COURT 19, MIDDLE PORTION OF SECOND PAGE 228.

3 IF YOU COULD BLOW UP THIS PAGE NOW. IN
4 REGARD TO THE HANDWRITTEN PORTION OF THE DOCUMENT.
5 THANK YOU.

6 Q. WHAT IS THE NAME LISTED THERE, SIR?

7 A. ALBERT HU.

8 Q. WHAT DOES THAT MEAN IN THIS SECTION OF THE
9 DOCUMENT, CARD ISSUER AND PREFERRED METHOD OF
10 PAYMENT?

11 A. IT'S THE CARD AND THE FORM OF PAYMENT. THAT'S
12 THE PERSON'S NAME THAT IT BELONGS TO.

13 Q. DOES THIS HAVE ANY CONNECTION TO THE PAYMENT
14 OF THE SPACE THAT'S BEING RESERVED?

15 A. YES.

16 Q. AND THIS IS THE PAYMENT -- FORM AND PAYMENT
17 FOR THE SERVICES AT HQ GLOBAL WAS GOING TO BE
18 PROVIDING TO THIS PARTICULAR SPACE, CORRECT?

19 A. YES.

20 Q. AND NOW IF YOU COULD READ THE CARD NUMBER
21 LISTED ON THE RIGHT-HAND SIDE OF THE DOCUMENT OUT
22 LOUD BEGINNING AT 4121?

23 A. 4121 7426 1999 3085.

24 MR. LUCEY: YOUR HONOR, AT THIS POINT I
25 WOULD LIKE TO READ INTO THE RECORD THE PREVIOUSLY

1 AGREED TO STIPULATION NUMBER 3.

2 THE UNITED STATES OF AMERICA AND
3 DEFENDANT ALBERT KE-JENG HU HEREBY STIPULATE FOR
4 PURPOSES OF THE TRIAL OF THIS ACTION THAT THE
5 FOLLOWING FACTS ARE CONCLUSIVELY ESTABLISHED BEYOND
6 A REASONABLE DOUBT AND THEREFORE ARE NOT IN
7 DISPUTE.

8 BETWEEN 2000 AND 2009, DEFENDANT ALBERT
9 KE-JENG HU WAS GUILTY ACCOUNT HOLDER FOR THE
10 CAPITAL ONE VISA ACCOUNT WITH THE NUMBER OF 421 726
11 199 385.

12 IT IS SO STIPULATED. SIGNED AND DATED BY
13 MR. FAZIOLI, MR. FONG AND THE DEFENDANT ON OR ABOUT
14 JUNE 4TH, 2012.

15 NO FURTHER QUESTIONS, YOUR HONOR

16 MR. FONG: NO CROSS, YOUR HONOR.

17 THE COURT: OKAY.

18 ALL RIGHT. THAT WILL CONCLUDE US FOR
19 TODAY.

20 REMEMBER, NEXT WEEK WE DON'T MEET UNTIL
21 THURSDAY. I WILL SEE YOU THURSDAY. IT'S 8:30 IN
22 THE MORNING.

23 PLEASE REMEMBER MY INSTRUCTION NOT TALK
24 ABOUT THE CASE PARTICULARLY ON THE TIME OFF AND THE
25 WEEKEND THERE MAY BE TEMPTATION TO DO SO, PLEASE

1 RESIST IT AND WE WILL SEE YOU NEXT WEEK.

2 (WHEREUPON, THE FOLLOWING PROCEEDINGS
3 WERE HELD OUT OF THE PRESENCE OF THE JURY:)

4 THE COURT: HOW ARE WE RUNNING
5 SCHEDULE-WISE?

6 MR. FAZIOLI: I THINK WE ARE DOING OKAY,
7 YOUR HONOR. WE ARE PICKING UP SPEED.

8 I THINK THAT WE HAD SAID THAT OUR
9 ANTICIPATED TRIAL SCHEDULE WOULD BE SIX DAYS. WE
10 ARE THREE --

11 THE COURT: 4 TO 6, I THINK.

12 MR. FAZIOLI: 4 TO 6.

13 ANY WAY, I THINK THAT WE WOULD HAVE A
14 FULL DAY NEXT THURSDAY AND THEN I WOULD ANTICIPATE
15 PROBABLY THE TWO DAYS AFTER THAT, THE MONDAY AND
16 TUESDAY.

17 SO I THINK WE ARE STILL WITHIN THAT
18 SIX-DAY SCHEDULE. WE ARE GOING TO STREAMLINE OUR
19 CASE AND PROBABLY TAKE SOME WITNESSES OUT THAT ARE
20 ON OUR WITNESS LIST.

21 BUT IN LIGHT OF SOME TENTATIVE
22 DISCUSSIONS I HAD WITH DEFENSE COUNSEL ON
23 ANTICIPATED CROSS-EXAMINATION, I THINK WE ARE
24 PROBABLY AT -- I WOULD SEE THE GOVERNMENT RESTING
25 ON NEXT TUESDAY, THE WEEK AFTER.

1 MR. LUCEY: THE SECOND WEEK.

2 MR. FAZIOLI: WE DO ALSO HAVE A WITNESS
3 WE ARE TRYING TO ARRANGE TO FLY OUT FROM TAIWAN AND
4 WE HAVE REASON TO THINK HE MAY BE COMING OUT, SO IF
5 HE DOES NOT COME OUT THAT WOULD SHORT US BY A DAY
6 PROBABLY.

7 THE COURT: MR. FONG HOW MUCH TIME ARE
8 YOU ANTICIPATING FOR YOUR CASE, IF ANYTHING?

9 MR. FONG: YOUR HONOR, IF THE DEFENDANT
10 DOES NOT TESTIFY, I WOULD ANTICIPATE IT WOULD BE A
11 VERY, VERY SHORT DEFENSE CASE.

12 THERE MIGHT BE SOME MATTERS I'M GOING TO
13 ASK THE COURT TO TAKE JUDICIAL NOTICES OF, THINGS
14 LIKE THAT.

15 I THINK IT'S GOING TO BE SHORT. LET ME
16 BE VERY, VERY SAFE AND SAY HALF A DAY.

17 THE COURT: OKAY. ALL RIGHT.

18 I JUST LET BOTH SIDES KNOW THAT I THINK
19 SOME OF THIS CASE HAS PROCEEDED VERY EXPEDITIOUSLY
20 BUT ALSO THOUGHT THAT AT TIMES IT GOT PRETTY
21 REPETITIVE AND I WOULD URGE YOU TO THINK ABOUT
22 BEING EFFICIENT BECAUSE I THINK IT KEEPS THE JURY'S
23 ATTENTION A LOT BETTER WHEN YOU ARE.

24 OKAY.

25 MR. LUCEY: THANK YOU, YOUR HONOR.

1 MR. FAZIOLI: THANK YOU, YOUR HONOR.

2 (WHEREUPON, THE PROCEEDINGS IN THIS
3 MATTER WERE CONCLUDED.)
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CERTIFICATE OF REPORTER

I, THE UNDERSIGNED OFFICIAL COURT
REPORTER OF THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF CALIFORNIA, 280 SOUTH
FIRST STREET, SAN JOSE, CALIFORNIA, DO HEREBY
CERTIFY:

THAT THE FOREGOING TRANSCRIPT,
CERTIFICATE INCLUSIVE, CONSTITUTES A TRUE, FULL AND
CORRECT TRANSCRIPT OF MY SHORTHAND NOTES TAKEN AS
SUCH OFFICIAL COURT REPORTER OF THE PROCEEDINGS
HEREINBEFORE ENTITLED AND REDUCED BY COMPUTER-AIDED
TRANSCRIPTION TO THE BEST OF MY ABILITY.

/s/

SUMMER A. FISHER, CSR, CRR
CERTIFICATE NUMBER 13185

DATED: 6/11/12